BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
LEHMAN BROTHERS HOLDINGS INC., *et al.*,	Case No. 08-13555 (JMP)
Debtor.	(Jointly Administered)

DECLARATION OF ERIC CLARK

I, ERIC CLARK, declare:

1. I am over the age of 18 and, if called to testify at trial, could competently testify to the following based on my personal knowledge.[1]

2. Since April 1999, I have been employed as a Product Controller in the Finance Department at Barclays Capital ("Barclays"). From October 2006 to January 2009, I was on secondment in the New York office. My responsibilities included reporting the financial performance of certain trading portfolios within Barclays US operations. I am currently a director in the Product Control department in the London office.

3. The Options Clearing Corporation (the "OCC") is a clearing house for futures and options contracts that are traded on domestic exchanges. Prior to September 22, 2008, it is my understanding that LBI was a clearing member at the OCC and held open options positions in proprietary and market-maker options accounts (the "074F Account" and the "074M Account," respectively) at the OCC (the "LBI Options"). (LBI held additional options and futures positions

[1] My understandings, as reflected in this declaration, are based in part on information provided to me by my colleagues in the price testing, equities trading, and product control departments.

that cleared through the OCC as well (in separate accounts), though these are not addressed in this declaration.)

4. It is my understanding that on September 22, 2008 (the "Closing"), Barclays took over LBI's OCC Accounts, including the 074F and 074M Accounts.

5. Certain of the LBI Options in the 074F and 074M Accounts were options that LBI had held, prior to the Closing, on behalf of a subordinated affiliate, Lehman Brothers Special Finance, S.A. (the "LBSF Options"). As of September 24, 2008, the LBSF Options had a net value, according to Barclays' price testing team, of negative $801,390,328.00. After the acquisition, Barclays treated the LBSF Options in the same manner it treated all other options held in the 074F and 074M Accounts.

6. Prior to the Closing, Barclays was itself a clearing member at the OCC and had its own system in place for maintaining and processing its OCC positions. However, the LBI OCC Options were not immediately brought onto Barclays' systems, as those systems were not capable of incorporating the LBI OCC Options. The delay in moving these options onto Barclays' systems created difficulties for Barclays' risk management team in terms of their ability to manage the risk associated with these positions effectively during the interim period.

7. Upon the Closing, the Lehman equity risk management systems were incorporated into the Barclays system architecture, which allowed the positions to be moved onto Barclays' risk management system on October 1.

8. Then, on October 7, 2008, Barclays moved all of the LBI Options (and the long and short stock inventory positions arising from options assignments) to Barclays' equity books, at which point they ceased to be managed or tracked independently from Barclays' broader

trading portfolio and instead became part of Barclays' equity books. (The intervening period was required to manage the portfolio and parcel it out to the appropriate traders.)

9. From the Closing through October 7, 2008, the LBI Options (and the long and short securities positions associated with the exercise or assignment of options pending or settled in the Options accounts as of the Closing) lost substantial value. Attached as Exhibit 1 is a statement of profits and losses, as provided by the Product Controllers of the trading books, arising from the activity of Barclays' equity options traders in managing the portfolio prior to the transfer of the positions on October 7. The total losses in value in this regard amounted to $730 million. *See* Exhibit 1.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 8th
day of January, 2010, at New York, New York.

Eric Clark

Exhibit 1: ***Profit/Loss on 074M and 074F Options Position from Acquisition through Trading***

074M and 074F Options PnL from acquisition through 10/1/08	
	PNL
Options	(228,610,376)
Stock	(33,057,356)
Total	**(261,667,732)**

Comments

PnL from acquisition to move date.

The date range used in this table to calculate the PnL for options held for LBI's own account was 9/19/08 – 10/1/08, and the date range used in this table to calculate the PnL for LBSF Options (as defined in the accompanying Eric Clark Declaration) was 9/25/08 – 10/1/08.

074M and 074F Options PnL from 10/2/08 through 10/6/08	
	PnL
Option	(433,455,198)
Stock	(36,117,066)
Total	**(469,572,264)**

PnL from move date to active trading date.

Total 074M and 074 Options PnL from acquisition through 10/6/08	
	PNL
Option	(662,065,574)
Stock	(69,174,422)
Total	**(731,239,996)**

Total

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: LEHMAN BROTHERS HOLDINGS INC., *et al.*, Debtor.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)

DECLARATION OF DANIEL DZIEMIAN

I, DANIEL DZIEMIAN, declare:

1. I am over the age of 18 and, if called to testify at trial, could competently testify to the following based on my personal knowledge. I offer this declaration in support of Barclays motion, based on my personal knowledge, to the best of my recollection as supported by my review of corporate records.

2. Prior to September 22, 2008, I was employed by Lehman Brothers, Inc. ("LBI") as a Senior Vice President. In that capacity, I had oversight responsibilities relating to LBI's exchange-traded options accounts (the "Acquired Options Accounts") at the Options Clearing Corporation (the "OCC").

3. Since September 22, 2008, I have been employed at Barclays Capital Inc. ("Barclays") as a Director, Options Clearance. In that capacity, I have oversight responsibilities relating to the Acquired Options Accounts.

4. It is my understanding that on September 22, 2008 (the "Closing"), Barclays assumed responsibility for the Acquired Options Accounts.

5. The exercise or assignment of a physically-settled option cleared through OCC results in a contract to purchase or sell the underlying security which is cleared and

settled through DTC. When a cash-settled option cleared through OCC is exercised or assigned, it results in a payment obligation from the writer of the option to the OCC and a payment obligation from the OCC to the holder of the option. Barclays has satisfied all settlement obligations to the DTC and OCC in respect of all exercises and assignments of options held in the Acquired Options Accounts since the Closing.

6. As of the Closing, the Acquired Options Accounts consisted of the following: a market maker account (the "074M Account"), a firm account (the "074F Account"), two customer accounts (the "074C Account" and the "273C Account," respectively), and a clearing fund account (the "074ZX Account").

7. Options positions were held across the various Acquired Options Accounts as follows: (1) options held for LBI's market-making business were cleared through the 074M Account; (2) options held in connection with LBI's proprietary trading business as well as certain options held on behalf of Lehman Brothers Special Finance, S.A. (the "LBSF Options") were cleared through the 074F Account; (3) options held on behalf of LBI's non-affiliated options customers (the "074C Customer Options"), options held on behalf of LBI affiliated options customers, Lehman Brothers International Europe and its customers (the "LBIE Options"), Lehman Brothers OTC Derivatives, Inc. (the "LOTC Options"), Lehman Brothers Finance AG (the "LBF Options") and Lehman Brothers Special Finance, S.A. (the "LBSF 074C Options") (collectively, the "074C Affiliate Options"), were cleared through the 074C Account; and (4) options held on behalf of clients of Neuberger Berman (the "273C Customer Options") were cleared through the 273C Account.

8. As of the Closing, the Acquired Options Accounts also contained margin and/or clearing funds (the "OCC Options Margin").[1] The OCC Options Margin was dispersed across the 074M Account, the 074F Account, the 074C Account, the 273C Account, and the 074ZX Account. The OCC Options Margin was posted (at least in part) in satisfaction of margin requirements that the OCC imposed on LBI in relation to the options held in the Acquired Options Accounts as of the Closing. It is my understanding that those OCC requirements, which fluctuated daily, were entirely distinct from the margin requirements that LBI imposed on its own customers pursuant to relevant regulations and the firm's own policies. As just one example, it is my understanding that a customer who writes a "covered" call through a broker, i.e., who has the stock that it will be required to deliver if the call is assigned in the customer's account with the broker, will be required to post little or no margin with the broker, but the broker will be required to post margin to the OCC based on the call to the same extent as if it were not covered.

9. On or about September 25, 2008, Barclays opened a new set of accounts at the OCC, which consisted of a market-making options account (the "255M Account"), a proprietary options account (the "255F Account"), and a customer options account (the "255C Account") (collectively, the "Barclays Options Accounts").

10. On October 6, 2008, Barclays instructed the OCC to transfer the LBI and LBSF market-making and proprietary options from the 074M and 074F Accounts to the newly opened 255M and 255F Accounts, respectively. Barclays also transferred the positions from LBI's third-party processing systems to Barclays' third-party processing

[1] The Acquired Options Accounts also contained various escrow receipts and letters of guarantee deposited by certain of LBI's clients.

systems. Barclays has managed these options in its discretion and in accordance with its own proprietary trading strategy since the time of this transfer.

11. Soon after the Closing, Barclays opened accounts on its books for applicable customers of LBI's Private Investment Management ("PIM") business (the "PIM Customer Accounts") and on September 26, 2008, Barclays transferred applicable options positions in PIM Customer Accounts (the "PIM Customer Options") from the 074C Account to the newly opened 255C Account for clearing purposes. From that point forward, the PIM Customer Options were administered and processed by Barclays in the 255C Account in the ordinary course of business.

12. The remaining options in the 074C Account as of the Closing can be broken down into two categories: the 074C LBI Affiliate Options and the non-PIM 074C Customer Options.[2] While Barclays assumed clearing responsibility for these options, Barclays did not open customer accounts for the 074C LBI Affiliates or the non-PIM customers.[3] Instead, all non-PIM 074C Options and Affiliate Options remained in the 074C Account and were processed on LBI's processing systems.

13. To facilitate the monitoring of, accounting for, and settlement of the options of parties whose positions were not transferred to Barclays customer accounts, Barclays established "bridge" accounts across Barclays' and LBI's processing systems to properly reflect all OCC customer options activity. The bridge accounts were necessary to account for the fact that the settlement bank and the settlement depository as of

[2] The 074C Customer Options consisted of options held on behalf of customers of LBI's Prime Services business and options held on behalf of institutional clients of LBI.

[3] Certain non-PIM Customers independently opened accounts at Barclays, which accounts were processed through the 255C Account.

approximately September 23, 2008, were switched to Barclays while the accounts of these customers and affiliates remained with LBI.

14. On October 17, 2008, to mitigate risk and market exposure, Barclays began liquidating the remaining 074C LBI Affiliate Option positions.[4] On that same date, Barclays also began liquidating (by the sale of long positions and the buy-in of short positions) all equity inventory then existing as a result of exercise or assignment of those options prior to that date. The net effect of the close-out and liquidation of all positions and equities relating to the 074C LBI Affiliate Options on the LBI Bridge Account is a net receivable from LBI to Barclays in the amount of $80,285,927.09, broken down as follows: a net receivable in the amount of $112,750,802.28 in respect of close-out and liquidation of LBIE's positions and equities; a net receivable in the amount of $53,389,890.60 in respect of close-out and liquidation of LBF's positions and equities; a net payable of $63,777,275.79 in respect of close-out and liquidation of LOTC's positions and equities; and a net payable of $22,077,490.00 in respect of close-out and liquidation of LBSF's positions and equities.

15. Barclays similarly made entries in the appropriate LBI bridge account for the non-PIM 074C Customer Options to reflect the cash and securities inventory (long and short) delivered and received in performance of its settlement obligations.[5] Barclays has continued to work with the SIPC Trustee for the LBI liquidation (the "Trustee") and his consultants to settle up (through LBI) with these customers whenever possible. There

[4] LBIE has one remaining option in the 074C Account that Barclays was not able to close out. In particular, LBIE is short a put option in Sun Power Corporation, Class A (SPWRA). The option expires January 16, 2010, and is currently out of the money.

[5] Of all the non-PIM 074C Customer Options held in the 074C Account as of the Effective Time of Closing, only three remain outstanding versus a single Prime Services account.

are currently unsettled entries relating to certain non-PIM Customer Options in the LBI bridge account.

16. The vast majority of the positions in the 273C Account as of the open of business on September 19, 2008 were transferred to Ridge Clearing before the Closing. Some others either expired or were exercised or assigned over the weekend prior to the Closing (which activity was processed in the normal course on LBI's processing systems). And all but one of the positions that remained in the 273C Account at the time of Closing expired worthless between the Closing and October 31, 2008. The single position that remained in the 273C Account on October 29, 2008 and was not imminently due to expire was a Neuberger Berman Prime Services Option position. That position was transferred from 273C to 074C on October 29, 2008, and was then treated in exactly the same way as the non-PIM 074C Customer Options: Barclays used one of its bridge accounts to reflect the cash and securities it had delivered and received in performance of its settlement obligations in relation to this position. There are currently unsettled entries relating to the settlement of this position, and Barclays continues to work with the Trustee to settle these entries.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 8th day of January, 2010,

at New York, New York.

Daniel Dziemian

Daniel Dziemian

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
LEHMAN BROTHERS HOLDINGS INC., *et al.*,	Case No. 08-13555 (JMP)
Debtor.	(Jointly Administered)

DECLARATION OF ELIZABETH JAMES

I, ELIZABETH JAMES declare:

1. I am over the age of 21 and, if called to testify at trial, could competently testify to the following based on my personal knowledge.

2. Since March 1, 2006, I have been employed as a Director in the Futures Sales department at Barclays Capital Inc. ("Barclays").

3. On September 22, 2008 (the "Closing"), Barclays acquired (among other things) LBI's exchange-traded derivatives and LBI's then-existing business as a futures commission merchant.

4. As of the Closing, LBI held open futures (including both futures and options on futures) that were traded on both domestic and foreign exchanges. The domestically traded futures were maintained in accounts with a number of U.S. brokers and clearing corporations, including LBI clearing accounts, non-affiliated clearing broker accounts, and accounts with a number of U.S. clearing corporations. The foreign-traded futures were maintained in accounts with a number of foreign affiliate and non-affiliated brokers and foreign clearing corporations.

5. Some of the exchange-traded futures held by LBI as of the Closing were held for LBI's own account (the "LBI Proprietary Futures"). Some were held for the accounts of LBI affiliates (the "LBI Affiliate Proprietary Futures"). Some were held for the accounts of LBI customers (the "LBI Customer Futures"). And some were held for the accounts of LBI affiliates' customers (the "LBI Affiliate Customer Futures"). (The LBI Customer Futures and LBI Affiliate Customer Futures are collectively referred to herein as the "Customer Futures.")

6. As of the Closing, LBI held open LBI Proprietary Futures in 9 different accounts (the "LBI Proprietary Futures Accounts").

7. As of the Closing, LBI maintained positive collateral balances in each of the LBI Proprietary Futures Accounts (the "LBI Proprietary Futures Collateral").

8. Over the course of the two weeks immediately following the Closing, Barclays closed out all LBI Proprietary Futures that the domestic and foreign exchanges would permit it to close out. As time went on, additional foreign exchanges permitted Barclays to close out its LBI Proprietary Futures, and Barclays did so as and when it was able. Barclays was not permitted to close out certain of the LBI Proprietary Futures prior to their maturity dates but some of those were closed out by the exchanges and the remainder have since matured and were cash-settled. Thus, at present, all of the LBI Proprietary Futures have been closed out. The close-out of each LBI Proprietary Futures position was settled against the then-existing balance in the respective LBI Proprietary Futures Account. Upon completion of this close-out process, the value of the remaining LBI Proprietary Futures Collateral, according to broker statements reflecting the balances

in these accounts after all positions were closed out, was approximately $457,205,950.14. *See* Exhibit 1.[1] None of this collateral has been released to Barclays.

9. As of the Closing, LBI held open LBI Affiliate Futures in an account numbered 084F at the OCC (the "OCC Affiliate Futures Account") and in other domestic and foreign accounts with various clearing corporations, exchanges, or brokers ("the Non-OCC Affiliate Futures Accounts") (collectively, the "LBI Affiliate Futures Accounts").

10. As of the open of business on September 22, 2008, LBI maintained a positive collateral balance in the OCC Affiliate Futures Account of $46,406,394.00. The positions in this account have since been moved to the 084C customer account and were then closed out at a net cost of $35,753,250.00.

11. LBI also posted collateral for LBI Affiliate Futures contained in Non-OCC Affiliate Futures Accounts, but that collateral was commingled with the Proprietary Futures Collateral, discussed above.

12. Approximately six weeks after the Closing, I learned of the existence of the positions in the Non-OCC Affiliate Futures Accounts, which, by that time, had been closed out by Barclays. I understand that the close-out of those positions came at a net cost of $517,045.56.

13. As of the Closing, LBI maintained accounts for LBI customers and LBI affiliates' customers (collectively, the "Futures Customers") with various affiliate or non-

[1] Exhibit 1 shows, for each broker (custodian), an account number, a description of whether the account was in cash or government securities (e.g., TBills), the applicable currency, the currency balance in the applicable currency according to the respective broker's statement as of a time after all positions had been closed out, the applicable conversion rate applied, and the US dollar value of the currency balance.

affiliate brokers and with five different U.S. clearing corporations (the "LBI Customer Futures Accounts").

14. The Futures Customers had deposited collateral including initial margin with LBI prior to the Closing to secure their futures trading activity. LBI maintained this collateral, along with additional collateral that constituted LBI's own property (collectively, the "Customer Futures Collateral"), in the LBI Customer Futures Accounts.

15. Barclays took over LBI's liabilities to the LBI Futures Customers in the amount of any collateral those customers had posted prior to the Closing to secure their futures trading activity, and has since complied with its obligations to the LBI Futures Customers in this regard. Although, to my knowledge, Barclays was not aware of the total amount of these liabilities at the Closing, I understand that Barclays has since determined that the total amount of such liabilities as of that time was approximately $2 billion.

16. On September 22, 2008, the LBI Customer Futures Accounts were re-named to reflect the fact that they had become Barclays accounts. Over the course of the next four weeks, the positions in those accounts were transferred into Barclays customer accounts (the "Barclays Customer Futures Accounts").[2] As detailed below, some of the collateral held in the LBI Customer Futures Accounts at the Effective Date of Closing was transferred in to the Barclays Customer Futures Accounts at the same time as the positions, some has been transferred since that time, and the remainder has still not been transferred.

[2] After the transfer of the Customer Futures (and some of the Customer Futures Collateral) from the LBI Customer Futures Accounts to the Barclays Customer Futures Accounts, certain Futures Customers requested that their business be transferred to other brokers, and Barclays complied with all such requests. The remainder of the Futures Customers kept their business with Barclays.

17. As noted above, some of the Customer Futures Collateral has been transferred to the Barclays Customer Futures Accounts since the Closing. All such transfers were authorized by the SIPC Trustee for the LBI liquidation ("SIPC Trustee"). However, the SIPC Trustee has refused to authorize the release of a significant portion of the Customer Futures Collateral, and the release of still further Customer Futures Collateral was authorized by the SIPC Trustee but not effectuated by the relevant brokers. To date, Barclays had received Customer Futures Collateral totaling $2,201,072,209.51.[3] *See* Exhibit 2.[4] Barclays has yet to receive the remaining Customer Futures Collateral, totaling $ $488,648,614.96.[5] *See* Exhibit 3.[6]

18. Despite the fact that Barclays did not receive and still has not received all of the Customer Futures Collateral, Barclays has had to satisfy, out of its own pocket in many instances, each of the following obligations as they came due since the Closing: (i) the obligation to maintain sufficient margin in the Customer Futures Accounts to satisfy the margin requirements associated with those accounts since the time of Closing, (ii) the settlement obligations in relation to the positions in the Customer Futures Accounts since the time of Closing, (iii) the obligation to return to the Futures Customers, upon their instruction, any collateral they had deposited with LBI prior to the Closing in excess of their then-existing margin requirements, and (iv) the obligation to return to the Futures

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[3] This figures does not reflect whatever collateral Barclays may have received from the OCC 084C Account which, as of the open of business on September 23, 2009, had a balance of only $303,140.

[4] Exhibit 2 shows the break-out, by asset type and custodian, of the value of the Customer Futures Collateral received to date by Barclays (excepting any collateral held in the 084C Account), both in the relevant currency and in US dollars using the specified exchange rate.

[5] This figure does not reflect whatever collateral Barclays has yet to receive from the OCC 084C Account which, again, as of the open of business on September 23, 2009, had a balance of only $303,140.

[6] Exhibit 3 shows the break-out, by asset type and custodian, of the value of the Customer Futures Collateral (excepting any collateral held in the 084C Account) not yet received by Barclays, both in the relevant currency and in US dollars using the specified exchange rate.

Customers, upon close-out of their accounts, the full amount of any collateral they had deposited with LBI prior to the Closing, net of any gains or losses realized upon close-out of their positions. It is my understanding that Barclays would never have acted on what it perceived to be its obligation to return or transfer Futures Customer Collateral to those customers (or to other brokers) in that manner if it did not believe it was entitled under the deal documents to receive that collateral.

19. Many of the Proprietary and Customer Futures Accounts are held at custodians that are not Lehman entities or affiliates and that are not restricted by any ongoing bankruptcy proceeding. As a result, I expect that if LBI or the SIPC Trustee authorizes the transfer of the net balances in those accounts, they can be transferred to Barclays immediately upon such authorization (to the extent this has not been done already). LBI has already accessed the remaining assets in some of those accounts, and those assets should be transferred to Barclays immediately as well.[7] Finally, Barclays is entitled to the transfer of the net balances in all other Futures Accounts immediately upon the brokers' release of those assets.

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[7] As one example, it is my understanding that the LBI Trustee recovered approximately $170 million in net balance amounts from Macquarie in Australia, one of the non-affiliated custodians for LBI Proprietary Futures Accounts. This amount should be available for immediate transfer to Barclays, but has not yet been transferred.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 8th

day of January, 2010, at New York, New York.

Elizabeth James

<u>Exhibit 1:</u> ***Undelivered Margin from Proprietary Futures Accounts, Valued as of Account Closeout***

Broker/custodian	Acct#	Type	CCY	CCY Bal.	FX	USD
Bank of Montreal	75011	T-bill	USD	5,000,000.00	1	5,000,000.00
Bank of Montreal	75011	Cash	CAD	1,961,574.94	0.91268	1,790,290.22
Kenanga	046000	Cash	MYR	18,730,445.63	0.28	5,303,525.68
Kenanga	046000	Cash	USD	2,138,078.13	1.00	2,138,078.13
Lehman JP (Osaka)	2208025	Cash	JPY	714,140,489.00	0.01067	7,619,879.02
Lehman JP (Osaka)	2208025	T-bill	USD	40,000,000.00	1	40,000,000.00
Lehman JP (TSE)	2208021	Cash	JPY	411,252,097.00	0.01067	4,388,059.87
Lehman JP (TSE)	2208021	T-bill	USD	5,000,000.00	1	5,000,000.00
Lehman Korea	001-51-101466	Cash	KRW	17,085,602,627.00	0.000801	13,692,401.95
Lehman SGP	2208016	Cash	JPY	2,789,554,435.00	0.01067	29,764,545.82
Lehman SGP	2208016	Cash	SGD	2,112,228.83	0.69213	1,461,936.94
Lehman SGP	2208016	Cash	USD	45,956,172.36	1	45,956,172.36
Lehman SGP	2208016	Tbills	USD	10,000,000.00	1	10,000,000.00
Lehman SGP	2208016	Tbills	USD	80,000,000.00	1	80,000,000.00
Macquarie	LEHH	Collateral	AUD	52,144,738.04	0.83102	43,333,320.21
Macquarie	LEHH	Cash	AUD	2,041,602.07	0.83102	1,696,612.15
Macquarie	LEHH	Cash	NZD	597.92	0.68132	407.37
Macquarie	LEHH	Cash	USD	10,000,972.24	1	10,000,972.24
Macquarie	LEH2	Cash	USD	150,000,000.00	1	150,000,000.00
MF Global	25010	Cash	USD	45,168.05	1	45,168.05
Newedge	A FMTOK 7507610B	Cash	JPY	1,366,460.00	0.01067	14,580.13
					Total	**457,205,950.14**

Exhibit 2: ***Customer Collateral Delivered to Date, Valued as of September 19, 2008***

Money Market Funds	CCY	Balance	FX	USD
BGI Prime MM	USD	165,905,987.13	1	$165,905,987.13
Blackrock Temp Fund	USD	20,788,214.29	1	20,788,214.29
Dreyfus Cash Mgt.	USD	20,522,297.78	1	20,522,297.78
GS FSQ MMF	USD	36,066,848.21	1	36,066,848.21
JPM Chase Prime Fund 3605	USD	50,000,000.00	1	50,000,000.00
Lehman Cash Mgmt Prime	USD	106,500,000.00	1	106,500,000.00
Lehman Money Market	USD	18,270,056.93	1	18,270,056.93
Lehman Prime (IN KIND)	USD	591,191,503.56	1	591,191,503.56
Lehman Prime Fund	USD	3,408,614.86	1	3,408,614.86
Reserve Primary Fund	USD	50,867,186.52	1	50,867,186.52
Total MMF Received				**$1,063,520,709.28**
Cash		**871,564,537.93**		**$871,564,537.93**
Foreign Brokers				
MF Global	USD	33,403,527.52	1	$33,403,527.52
Bank of Montreal	CAD	19,963,016.88	0.9497	18,958,877.13
Bank of Montreal	USD	80,000,000.00	1	80,000,000.00
Macquarie	NZD	470.93	0.580046404	273.16
Macquarie	USD	128,535,268.25	1	128,535,268.25
Kenanga	USD	680,831.28	1	680,831.28
Kenanga	MYR	15,126,275.30	0.291425673	4,408,184.95
Total Foreign Brokerage Received				**$265,986,962.30**
TOTAL Futures Customer Collateral Received				**$2,201,072,209.51**

Exhibit 3: ***Customer Futures Collateral Undelivered to Date, Valued as of September 19, 2008***

Money Market Funds	**CCY**	**Balance**
Reserve Primary Fund	USD	**$5,108,924.50**
Total Not Received (MMF)		**$5,108,924.50**

Foreign Brokers	**CCY**	**Balance**	**FX**	**USD**	**Accounts**
New Edge	JPY	218,357,994.00	0.0110108	$2,404,296.20	A FMTOK 7507610A
Polaris	TWD	123,612,173.98	0.0305118	3,771,629.93	1875286
Polaris	USD	89,283,688.12	1	89,283,688.12	
Samsung	KRW	4,852,095,082.00	0.0007915	3,840,433.26	01532-375,01532-250, 01532-334, 01532-037, 01532-060, 01532-367
Total Not Received (Foreign Brokers)				**$99,300,047.51**	

Lehman Entities	**CCY**	**Balance**		**US Treasury Bills**	**Accounts**
Lehman Brothers Japan Inc	USD	$36,813,456.01		$15,000,000.00	02208020, 02295615
Lehman Brothers Futures Asia	USD	5,955,828.87			02208010, 02208011, 02295572, 02295573
Lehman Brothers PTE	USD	63,003,183.26		75,000,000.00	02208015, 02295612
Lehman Brothers Japan Inc	USD	24,402,193.31		5,000,000.00	02208024, 02295622
Lehman Brothers Japan Inc	USD	70,315.23			02208027, 02295624
Lehman Brothers SA	USD	1,289,014.08			02208047, 02295547
Lehman Brothers International (Europe)	USD	157,705,652.19			02295670, 022958635
Total Not Received (LEH entities)	**Cash**	**$289,239,642.95**	**T-Bills**	**$95,000,000.00**	

TOTAL Undelivered Customer Futures Collateral	**$488,648,614.96**

BCI EXHIBIT

354

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
LEHMAN BROTHERS HOLDINGS INC., *et al.*,	Case No. 08-13555 (JMP)
Debtor.	(Jointly Administered)

DECLARATION OF CRAIG JONES

I, CRAIG JONES, declare:

1. I am over the age of 18 and, if called to testify at trial, could competently testify to the following based on my personal knowledge. This declaration reflects the best of my understanding and recollection of the relevant events.

2. Since September 22, 2008, I have been employed as a Director at Barclays Capital Inc. ("Barclays"). Before joining Barclays, I was a Senior Vice President at Lehman Brothers, Inc. ("LBI") in its Treasury Department. At both LBI and Barclays, my responsibilities have included, among other things, managing the margin and clearing fund deposits in respect of the accounts at the Options Clearing Corporation ("OCC").

3. The OCC is a clearing house for futures and options contracts that are traded on an open exchange. During my tenure with LBI's Cash Management team, LBI was a clearing member at the OCC. It is my understanding that Barclays acquired LBI's accounts at the OCC (collectively, the "LBI OCC Accounts") on or around September 22, 2008 (the "Closing").

4. The OCC requires that each clearing member post, or have posted on its behalf, collateral that will secure the obligations that may arise under the positions in that member's OCC accounts. The collateral that the OCC requires a clearing member to post or have posted

on its behalf for each account is called margin for that account. The OCC also requires each clearing member to contribute a certain amount to its "clearing fund" to cover any losses suffered by the OCC in the event of the failure of any clearing member to discharge its obligations to the OCC. The OCC has its own proprietary methods for setting margin and clearing fund requirements. The OCC determines the margin requirements and communicates them to clearing members on at least a daily basis, and the OCC generally determines and communicates clearing fund requirements to its members on a monthly basis. The OCC reserves the right to make intra-day as well as daily changes to its margin requirements.

5. The OCC permits a clearing member to post margin in cash, the deposit of money market funds and other specified marketable securities (subject to market value adjustments) and irrevocable letters of credit issued by approved banks. The assets that LBI deposited to meet the OCC's margin requirements were comprised of LBI's proprietary assets. In general, prior to September 2008, LBI posted collateral primarily in the form of treasury securities and letters of credit.

6. I will refer in this declaration to the amount by which LBI's posted margin and clearing funds exceeded the OCC's margin and clearing fund requirements on any given day as "excess margin." One of my team's regular responsibilities was to minimize the amount of excess margin maintained by LBI at the OCC. Exhibit 1 hereto shows, for each day from September 15, 2008 through September 19, 2008, the total requirement at the open of business for each day across all of LBI's OCC accounts, the total value of collateral at the open of business for each day across all of LBI's OCC accounts, and the excess or deficit at the open of business on each day across all of LBI's

OCC accounts (although, as explained below, the excess reported by the OCC at the open of business on September 19, 2008 became unavailable to LBI later that day).

7. On September 15, 2008, LBI's clearing fund requirement at the OCC was approximately $144.6 million. To my understanding, the requirement was raised on September 16, 2008 to $171 million.

8. At about 9:32 a.m. EST on September 19, 2008, as part of the normal course of monitoring the excess margin, I was informed that the value of the margin deposits at the OCC (including the value of letters of credit) exceeded the requirements by just over $400 million. *See* Exhibit 2 (Email from S. Blake to M. Chalco, B. O'Connor, T. Shafer, C. Jones, and R. Golaszewski, Sept. 19, 2008, 13:31:47 GMT). Later that same morning, I was informed by one of my colleagues, Sharon Blake, that the OCC had refused to release any of the excess margin to LBI, such that the entire approximately $400 million that had exceeded the requirement as of 9:32 a.m. was now effectively "required" margin according to the OCC. *See* Exhibit 3 (Email from S. Blake to C. Jones, T. Shafer, M. Chalco, C. Keith, B. O'Connor and R. Golaszewski, Sept. 19, 2008, 14:19:43 GMT).

9. Upon learning of this, I contacted at least one employee of the OCC by telephone to confirm the information I had received from Ms. Blake and to inquire into the OCC's basis for withholding the reported excess margin. During that conversation, the person with whom I spoke confirmed the accuracy of Ms. Blake's information—that LBI would not be permitted to withdraw any of the margin excess that had been reported to LBI earlier that morning. I was advised during that telephone call that the OCC had full authority to take this measure, and I was referred, in that regard, to the relevant OCC rules.

10. As of the Closing, the LBI OCC Accounts included (among others) a market maker options account (the "074M Account") and a proprietary options account (the "074F Account").

11. On or about September 25, 2008, Barclays opened a new set of accounts at the OCC, including a market-making account (the "255M Account") and a proprietary account (the "255F Account") and subsequently transferred the positions that had previously been held in the LBI 074M and 074F Accounts into those new accounts. Barclays also opened a customer account (the "255C Account"), which it used for purposes of administering the customer positions that were converted from the 074CAccount.

12. As of the open of business on September 22, 2008, the combined margin and clearing fund requirements across the 074M, 074F, and 074ZX accounts totaled $1,192,058,455.75. As of the open of business on October 7, 2008 (after the 074F and 074M options had been transferred into the 255F and 255M accounts, respectively), the OCC's combined margin and clearing fund requirements for the 255M, 255F, 074M, 074F, and 074ZX accounts totaled $1,808,778,900.75 – over $600 million higher than the September 22, 2008 requirement for the 074M, 074F, and 074ZX accounts. Barclays has satisfied these requirements.

13. The total margin and clearing fund requirements across all of LBI's OCC Accounts (074M, 074F, 074C, 074ZX, 084F, 084C, and 273C) as of open of business on September 22, 2008 totaled $1,571,059,337.75. By October 16, 2008 (when the margin and clearing fund requirements reached their peak), the margin and clearing fund requirements that Barclays faced across all of the relevant accounts (255M, 255F, 255C, 074M, 074F, 074C, 074ZX, and 084C) totaled $3,527,630,925.75.

14. As of open of business on September 22, 2008, the value of all margin and clearing fund deposits in respect of the LBI OCC Accounts was over $2 billion. Of this amount, approximately $1.1 billion constituted cash and approximately $926.8 million constituted government-issued securities posted as margin by LBI to the OCC. LBI had also posted a $252 million letter of credit (issued by BNP Paribas) that remained as margin in the LBI OCC Accounts as of the Closing. In the days following the Closing, Barclays secured a replacement letter of credit from BNP Paribas in the same amount to take its place.

15. Since the Closing, the cash portion of the excess margin in the LBI OCC Accounts has been credited to Barclays, with one exception. The exception relates to certain letter of credit proceeds (approximately $80 million worth) which Barclays is currently not receiving credit for.

16. In addition, the SIPC Trustee for LBI's liquidation (the "Trustee") consented to the release to Barclays of a small portion of the OCC margin or clearing fund deposits attributable to the government-issued securities. In particular, on or about October 1, 2008, Barclays asked for the Trustee's consent for the release of $19 million in cash that resulted from the maturation of a portion of the government-issued securities that were pledged to the OCC as a clearing fund deposit. (*See* forwarded email chain from C. Jones to L. Vecchio (Oct. 1, 2008), attached as Exhibit 4.) The Trustee consented, and the asset was released by the OCC to Chase, which then paid Barclays' OCC cash settlement account. (*See* Trustee Authorization, attached as Exhibit 5; *see also* Bank of New York Mellon Statement (Oct. 1-31, 2008), attached as Exhibit 6, at p. 6.)

17. However, the remainder of the margin and clearing fund deposits – held by LBI in the form of government-issued securities as of the Closing – has yet to be released to Barclays,

and is no longer being credited against Barclays' OCC margin and clearing fund requirements. Those assets had a value as of December 31, 2009 of $968,133,505.24.

18. To my knowledge, the OCC has not drawn on any of the margin deposits that were posted by LBI in respect of the LBI OCC Accounts in closing out or settling any of the positions held as of the Closing in those accounts.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 8th day of January, 2010, at New York, New York.

Craig Jones

Exhibit 1

	Margin Requirement	Collateral Value Posted	Excess/(Deficit)
9/15/2008	(789,583,205)	1,271,416,764	481,833,559
9/16/2008	(1,359,001,075)	1,471,206,735	112,205,660
9/17/2008	(1,404,036,965)	1,445,191,575	41,154,610
9/18/2008	(2,068,829,847)	1,730,732,024	(338,097,823)
9/19/2008	(1,693,367,422)	2,097,341,885	403,974,464

From: Blake, Sharon F
Sent: Fri, 19 Sep 2008 13:31:47 GMT
To: Chalco, Maria; O'Connor, Brian (NY); Shafer, Tamir
CC: Jones, Craig L; Golaszewski, Richard
Subject: Occ for today

All,

Please see today's requirements:

Customer: Excess 66mm
Firm: Excesst 335mm
Net: Excess 401mm

[x] Picture (Metafile)

The Current Available Letters of Credit for today

[x] Picture (Metafile)

Please see LBI Securities which are currently pledged at OCC

[x] Picture (Metafile)

In addition to the Treasuries, we also have the following Letters of Credit posted as of yesterday to meet our requirement of the previous business day

[x] Picture (Metafile)

Sharon Blake
Associate:Global Cash & Collateral Management
Email: Sblake@ Lehman.com
Voice (201) 499-6434
Fax: (201) 333-7199

	Total Requirement	Today's excess/(deficit)
Customer	476,554,355.00	66,000,000.00
Firm	606,817,181.00	335,000,000.00
Net	**1,083,371,536.00**	**401,000,000.00**

		CUSTOMER ACCT						
					T-Bills			
Security	**Market Value**	**Collateral Value**	**Rate**	**Cusip**	**Face Amount**	**Mat Date**	**Roll Date**	
UST BOND	$ 98,223,399.00	$ 93,312,229.05	3.625	912810fd5	$ 59,175,000.00	4/15/2028		
UST BOND	$ 143,480,917.35	$ 136,306,871.48	2.375	912810fr4	$ 119,445,000.00	1/15/2025		
UST BOND	$ 210,607,250.00	$ 199,704,487.50	2.375	912810fr4	$ 175,000,000.00	01/15/205		
UST BOND	$ 59,832,564.00	$ 56,840,935.80	2	912810FS2	$ 55,560,000.00	1/15/2026		
	$ 413,920,731.35	**$ 486,164,523.83**						
		FIRM ACCT						
UST BOND	$ 33,230,580.00	$ 31,569,051.00	1.75	912810PV4	$ 34,000,000.00	1/15/2028		
UST NOTE	$ 147,480,917.35	$ 139,662,860.48	3.875	913810fh6	$ 86,585,000.00	4/15/2029		
Total	**$ 180,711,497.35**	**$ 171,231,911.48**						
		MARKET MAKER ACCT						
UST BOND	$ 83,829,024.90	$ 79,637,573.66	1.75	912810PV4	$ 85,770,000.00	1/15/2028		
UST BOND	$ 31,544,299.80	$ 29,967,084.81	2.375	912810fr4	$ 26,260,000.00	01/15/205		
Total	**$ 115,373,324.70**	**$ 109,604,658.47**						
		$ 767,001,093.78						

Current Available LC's
$ 36,600,000.00

Firm Outstanding	Cust Outstanding	Total Outstanding
$ 262,998,500.00	$ 68,998,500.00	$ 331,997,000.00

From: Blake, Sharon F
Sent: Fri, 19 Sep 2008 14:19:43 GMT
To: Jones, Craig L; Shafer, Tamir
CC: Chalco, Maria; Shafer, Tamir; Keith, Carol; O'Connor, Brian (NY); Golaszewski, Richard
Subject: FW: Occ for today/REVISED COPY.

All,

Please see today's requirements:

Customer: Excess 0
Firm: Excesst 0
Net: Excess 0

Picture (Metafile)

Sharon Blake
Associate:Global Cash & Collateral Management
Email: Sblake@Lehman.com
Voice (201) 499-6434
Fax: (201) 333-7199

From: Blake, Sharon F
Sent: Friday, September 19, 2008 9:32 AM
To: Chalco, Maria; O'Connor, Brian (NY); Shafer, Tamir
Cc: Jones, Craig L; Golaszewski, Richard
Subject: Occ for today

All,

Please see today's requirements:

Customer: Excess 66mm
Firm: Excesst 335mm
Net: Excess 401mm

Picture (Metafile)

The Current Available Letters of Credit for today

Picture (Metafile)

Please see LBI Securities which are currently pledged at OCC

Picture (Metafile)

In addition to the Treasuries, we also have the following Letters of Credit posted as of yesterday to meet our requirement of the previous business day

Picture (Metafile)

Sharon Blake
Associate:Global Cash & Collateral Management
Email: Sblake@Lehman.com
Voice (201) 499-6434
Fax: (201) 333-7199

	Total Requirement	Today's excess/(deficit)
Customer	548,827,983.73	0.00
Firm	1,546,223,619.63	0.00
Net	**2,095,051,603.36**	**0.00**

	Total Requirement	Today's excess/(deficit)
Customer	476,554,355.00	66,000,000.00
Firm	606,817,181.00	335,000,000.00
Net	**1,083,371,536.00**	**401,000,000.00**

		CUSTOMER ACCT						
					T-Bills			
Security	Market Value	Collateral Value	Rate	Cusip	Face Amount	Mat Date	Roll Date	
UST BOND	$ 98,223,399.00	$ 93,312,229.05	3.625	912810fd5	$ 59,175,000.00	4/15/2028		
UST BOND	$ 143,480,917.35	$ 136,306,871.48	2.375	912810fr4	$ 119,445,000.00	1/15/2025		
UST BOND	$ 210,607,250.00	$ 199,704,487.50	2.375	912810fr4	$ 175,000,000.00	01/15/205		
UST BOND	$ 59,832,564.00	$ 56,840,935.80	2	912810FS2	$ 55,560,000.00	1/15/2026		
	$ 413,920,731.35	**$ 486,164,523.83**						
		FIRM ACCT						
UST BOND	$ 33,230,580.00	$ 31,569,051.00	1.75	912810PV4	$ 34,000,000.00	1/15/2028		
UST NOTE	$ 147,480,917.35	$ 139,662,860.48	3.875	912810fh6	$ 86,585,000.00	4/15/2029		
Total	**$ 180,711,497.35**	**$ 171,231,911.48**						
		MARKET MAKER ACCT						
UST BOND	$ 83,829,024.90	$ 79,637,573.66	1.75	912810PV4	$ 85,770,000.00	1/15/2028		
UST BOND	$ 31,544,299.80	$ 29,967,084.81	2.375	912810fr4	$ 26,260,000.00	01/15/205		
Total	**$ 115,373,324.70**	**$ 109,604,658.47**						
		$ 767,001,093.78						

Current Available LC's
$ 36,600,000.00

Firm Outstanding	Cust Outstanding	Total Outstanding
$ 262,998,500.00	$ 68,998,500.00	$ 331,997,000.00

From: Jones, Craig L
Sent: Wed, 01 Oct 2008 23:48:17 GMT
To: Vecchio, Laura M
CC: Dziemian, Daniel; Ciaravino, Vincent: Markets (NYK); Maher, Michael R; Willoughby, Scott
Subject: OCC Treasury Redemption

Laura - tomorrow morning there is a Treasury redemption at the OCC. We would like SIPC to instruct the OCC to release the Treasuries back to Chase and then have SIPC advise Chase to pay the redemption proceeds to Barclays' account at BNY. The instructions should be as follows:

OCC Instructions
Bill Eineke (OCC) - please release the redeeming T-Bill cusip 912795G88 maturing on 10/02/08 and Face Value of $19,000,000 back from the LYE account at Chase to Chase's redemption account XRD.

Chase Instructions:
Mike Mego (Chase) - please take in from the OCC LYE account the redeeming T-Bill cusip 912795G88 maturing on 10/02/08 and Face Value of $19,000,000 and wire the proceeds from XRD to the Barclays OCC account at the Bank of New York. The wire instructions for the BNY account are as follows:

Pay: $19,000,000
Bank of New York
ABA 021000018
Barclays Capital LE OCC Account
Acct:890-0692-898

Let me know if you have any questions.
Thanks,
Craig

To: Kiplok, Christopher[Kiplok@HughesHubbard.COM]; 'jane.buyers-russo@jpmorgan.com'[jane.buyers-russo@jpmorgan.com]; 'michael.a.mego@jpmorgan.com'[michael.a.mego@jpmorgan.com]; 'inaba_gail@jpmorgan.com'[inaba_gail@jpmorgan.com]; 'Robert.M.Macallister@chase.com'[Robert.M.Macallister@chase.com]; 'kevin.c.kelley@jpmorgan.com'[kevin.c.kelley@jpmorgan.com]; 'Enid.D.Jean-Claude@chase.com'[Enid.D.Jean-Claude@chase.com]; 'marcus.c.johnson@jpmchase.com'[marcus.c.johnson@jpmchase.com]
Cc: 'Vecchio, Laura M'[LVecchio@lehman.com]; Greene, Steven[greenes@HughesHubbard.com]; Friedenberg, Ellen[frieden@hugheshubbard.com]
From: Frelinghuysen, Anson
Sent on behalf of: Frelinghuysen, Anson
Sent: Tue 10/7/2008 10:27:11 AM
Importance: Low
Sensitivity: None
Subject: RE: LBI Trustee Authorization
Categories:

Document.pdf

Jane,

Our records indicate that the attached instruction has not yet been acted upon. Please let us know if you need further information or confirm completion.

As ever, you assistance is appreciated.

Thank you.

Anson

-----Original Message-----
From: Kiplok, Christopher
Sent: Thursday, October 02, 2008 3:18 PM
To: jane.buyers-russo@jpmorgan.com; 'michael.a.mego@jpmorgan.com'; inaba_gail@jpmorgan.com; 'Robert.M.Macallister@chase.com'; kevin.c.kelley@jpmorgan.com; 'Enid.D.Jean-Claude@chase.com'; 'marcus.c.johnson@jpmchase.com'
Cc: Vecchio, Laura M; Greene, Steven; Friedenberg, Ellen; Frelinghuysen, Anson; Kiplok, Christopher
Subject: LBI Trustee Authorization

Please see the attached, and thanks for your help.

Best regards,

Christopher K. Kiplok
Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004
(212) 837-6810
FAX (212) 422-4726

James W. Giddens, as Trustee for the SIPA liquidation of Lehman Brothers, Inc., authorizes the transfer of cash identified below in accordance with the wire instructions below on an expedited, priority basis as part of the transfer of customer accounts to Barclays.

Instructions:

Please take in from the OCC LYE account the redeeming T-Bill cusip 912795G88 maturing on 10/02/08 and Face Value of $19,000,000 and wire the proceeds from XRD to the Barclays OCC account at the Bank of New York. The wire instructions for the BNY account are as follows:

Pay: $19,000,000
Bank of New York
ABA 021000018
Barclays Capital LE OCC Account
Acct: 890-0692-898

October 2, 2008

Christopher K. Kiplok
Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004
(212) 837-6810
FAX (212) 422-4726

Counsel to the Trustee

THE BANK OF NEW YORK MELLON

FACSIMILE TRANSMITTAL SHEET

DATE: 06/12/2009

TO: Richard

COMPANY

ADDRESS:

FAX #646-822-7965

FROM: Jenifer Eodumegwuhu

TELEPHONE NUMBER: (800) 332-4550 (option 2)

FAX NUMBER: 201-909-6285

TOTAL NUMBER OF PAGES (INCLUDING COVER):

IF ALL PAGES RECEIVED ARE NOT COMPLETE AND FULLY LEGIBLE, PLEASE LET SENDER KNOW AS SOON AS POSSIBLE.

MESSAGE:

PG:

BARCLAYS CAPITAL LE OCC A/C

Statement Number	CSM0810310023914	Account Number	890-0692-898
Statement Period	2008-10-01 - 2008-10-31	Opening Book Balance	817,865.00
		X 131 Total Credits	5,158,731,082.23
		160 Total Debits	5,159,548,947.23
Page	1 of 8	Closing Book Balance	0.00

Our Transaction Reference	Your Reference Related Reference Our Description	Beneficiary name (Ben)/ By Order of Party (B/O)/ Ordering Bank (O/B)/Other Information	Value Date YYMMDD	Entry Date MMDD	F	Debits (U.S. Dollars)	Credits (U.S. Dollars)	Balance (U.S. Dollars)
		OPENING BOOK BALANCE	081001					817,865.
		OPENING AVAILABLE BALANCE	081001					817,865.
GSE0810018598700	O0589	B/O,BZW BARCLAYS AVENUE	081001		S		167,268,447.03	
FTK0810011459700	FTK0810011459700	O/B:THE BANK OF NEW YORK MELLON	081001		S		4,545,470.00	
F2S0810013413202	NONREF	O/B:ABIC/XCMEUS4C	081001		S		1,752,897.68	
FTK0810011325900	CASH-REG 081001	BEN:THE OPTIONS CLEARING CORPORATI	081001		S	94,452,167.50		
FTK0810011326300	CASH-REG 081001	BEN:THE OPTIONS CLEARING CORPORATI	081001		S	60,866,282.00		
FTK0810011324900	CASH-REG 081001	BEN:THE OPTIONS CLEARING CORPORATI	081001		S	12,047,750.00		
FTT0810013394202	+++1001I1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081001		S	4,422,617.71		
FTT0810013391407	+++0930R1I27BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081001		S	2,459,372.50		
BRM0810010000900	FNDS TRFR 081001	BEN,. ' NO NAME GIVEN '	081001		S	136,490.00		
		CLOSING BOOK BALANCE	081001					0.0
		CLOSING AVAILABLE BALANCE	081001					0.0
FTK0810021587700	FTK0810021587700	O/B:THE BANK OF NEW YORK MELLON	081002		S		12,785,567.50	
FTK0810021587600	FTK0810021587600	O/B:THE BANK OF NEW YORK MELLON	081002		S		11,184,728.00	
F2S0810026103000	NONREF	O/B:ABIC/XCMEUS4C	081002		S		3,674,026.03	
F2S0810028098508	NONREF	O/B:ABIC/XCMEUS4C	081002		S		3,666,000.00	
BRM0810020002500	BRM0810020002500	O/B,. ' NO NAME GIVEN '	081002		S		255,000.00	
FTK0810021707900	FTK0810021707900	O/B:THE BANK OF NEW YORK MELLON	081002		S		138,333.00	
BRM0810020001200	BRM0810020001200	O/B,. ' NO NAME GIVEN '	081002		S		39,140.00	
FTK0810021659800	CASH-REG 081002	BEN:THE OPTIONS CLEARING CORPORATI	081002		S	18,500,582.25		
FTJ0810026877655	FUTURES/OCC NET	BEN:BARCLAYS CAPITAL	081002		S	5,490,282.28		
FTT0810023397600	+++1002I1I11BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081002		S	4,401,756.00		
FTT0810023395408	+++1001R1I36BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081002		S	1,671,237.50		
FTK0810021580400	CASH-REG 081002	BEN:THE OPTIONS CLEARING CORPORATI	081002		S	1,516,160.00		
BRM0810020001700	FNDS TRFR 081002	BEN,. ' NO NAME GIVEN '	081002		S	105,000.00		
FTK0810021582000	CASH-REG 081002	BEN:THE OPTIONS CLEARING CORPORATI	081002		S	57,776.50		
		CLOSING BOOK BALANCE	081002					0.0
		CLOSING AVAILABLE BALANCE	081002					0.0
FTJ0810030150355	FTJ0810030150355	DBT:BARCLAYS CAPITAL	081003		S		14,568,345.25	
F2S0810038912906	NONREF	O/B:ABIC/XCMEUS4C	081003		S		2,343,473.75	
FTK0810031787700	FTK0810031787700	O/B:THE BANK OF NEW YORK MELLON	081003		S		1,260,425.00	
FTK0810031788200	FTK0810031788200	O/B:THE BANK OF NEW YORK MELLON	081003		S		118,940.00	
BRM0810030000600	BRM0810030000600	O/B,. ' NO NAME GIVEN '	081003		S		94,170.00	
F2S0810030841800	NONREF	O/B:ABIC/XCMEUS4C	081003		S		31,950.00	
FTK0810031767600	CASH-REG 081003	BEN:THE OPTIONS CLEARING CORPORATI	081003		S	7,136,016.00		
FTK0810031768300	CASH-REG 081003	BEN:THE OPTIONS CLEARING CORPORATI	081003		S	6,637,738.00		
FTT0810033403506	+++1003I1I36BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081003		S	3,730,000.00		
FTT0810033398402	+++1002R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081003		S	713,550.00		
		CLOSING BOOK BALANCE	081003					0.0
		CLOSING AVAILABLE BALANCE	081003					0.0
FTJ0810061350555	FTJ0810061350555	DBT:BARCLAYS CAPITAL	081006		S		117,406,167.57	
F2S0810051391407	NONREF	O/B:ABIC/XCMEUS4C	081006		S		7,309,550.00	
FTK0810061962100	FTK0810061962100	O/B:THE BANK OF NEW YORK MELLON	081006		S		6,395,778.00	
FTK0810061961900	FTK0810061961900	O/B:THE BANK OF NEW YORK MELLON	081006		S		2,936,424.00	
F2S0810064405802	NONREF	O/B:ABIC/XCMEUS4C	081006		S		2,118,507.00	
FTK0810061962400	FTK0810061962400	O/B:THE BANK OF NEW YORK MELLON	081006		S		1,060,392.00	
BRM0810060002100	BRM0810060002100	B/O,ICE CLEAR US INC NYC	081006		S		275,000.00	

Statement Number	CSM0810310023914	Account Number	890-0692-898
Statement Period	2008-10-01 - 2008-10-31	Opening Book Balance	817,865.00
		X 131 Total Credits	5,158,731,082.23
		160 Total Debits	5,159,548,947.23
Page	2 of 8	Closing Book Balance	0.00

Our Transaction Reference	Your Reference Related Reference Our Description	Beneficiary name (Ben)/ By Order of Party (B/O)/ Ordering Bank (O/B)/Other Information	Value Date YYMMDD	Entry Date MMDD	F	Debits (U.S. Dollars)	Credits (U.S. Dollars)	Balance (U.S. Dollars)
BRM0810060001400	BRM0810060001400	B/O,ICE CLEAR US INC NYC	081006		S		250,290.00	
FTK0810061945000	CASH-REG 081006	BEN:THE OPTIONS CLEARING CORPORATI	081006		S	113,022,747.57		
FTT0810063412505	+++1006I1I35BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081006		S	14,696,000.00		
FTT0810053408202	+++1003R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081006		S	7,954,434.00		
FTK0810061948100	CASH-REG 081006	BEN:THE OPTIONS CLEARING CORPORATI	081006		S	2,078,927.00		
		CLOSING BOOK BALANCE	081006					0.(
		CLOSING AVAILABLE BALANCE	081006					0.(
FTK0810072128800	FTK0810072128800	O/B:THE BANK OF NEW YORK MELLON	081007		S		456,013,906.49	
FTK0810072215100	FTK0810072215100	O/B:THE BANK OF NEW YORK MELLON	081007		S		58,992,427.00	
FTK0810072128600	FTK0810072128600	O/B:THE BANK OF NEW YORK MELLON	081007		S		8,367,376.00	
F2S0810075087802	NONREF	O/B:ABIC/XCMEUS4C	081007		S		2,972,029.00	
BRM0810070002700	BRM0810070002700	B/O,ICE CLEAR US INC NYC	081007		S		915,000.00	
FTJ0810072618055	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081007		S	497,371,968.42		
FTK0810072122600	CASH-REG 081007	BEN:THE OPTIONS CLEARING CORPORATI	081007		S	14,674,469.64		
BRM0810070001500	FNDS TRFR 081007	BEN,ICE CLEAR US INC NYC -	081007		S	5,975,000.00		
FTK0810072122700	CASH-REG 081007	BEN:THE OPTIONS CLEARING CORPORATI	081007		S	4,508,371.00		
BRM0810070001100	FNDS TRFR 081007	BEN,ICE CLEAR US INC NYC	081007		S	1,856,800.00		
FTT0810073413106	+++1006R1I36BAR	B/O:BARCLAYS CAPITAL INC/I	081007		S	1,012,540.50		
ACD0810077351112	F02835	081006 CME DEBIT FIRM	081007		S	587,519.40		
FTT0810073417002	+++1007I1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081007		S	343,383.00		
FTK0810072157800	CASH-REG 081007	BEN:THE OPTIONS CLEARING CORPORATI	081007		S	336,872.78		
ACD0810077174479	F06858	081006 CSCE DEBIT FIRM	081007		S	263,853.00		
ACD0810077174456	F01835	081006 CME DEBIT FIRM	081007		S	212,287.10		
ACD0810077174465	F07858	081006 NYMEX DEBIT FIRM	081007		S	62,905.50		
FTK0810072159800	CASH-REG 081007	BEN:THE OPTIONS CLEARING CORPORATI	081007		S	40,125.01		
ACD0810077174473	F04858	081006 COMEX DEBIT FIRM	081007		S	12,418.75		
FTK0810072158200	CASH-REG 081007	BEN:THE OPTIONS CLEARING CORPORATI	081007		S	1,115.84		
FTK0810072160000	CASH-REG 081007	BEN:THE OPTIONS CLEARING CORPORATI	081007		S	1,108.55		
		CLOSING BOOK BALANCE	081007					0.0
		CLOSING AVAILABLE BALANCE	081007					0.0
FTK0810082404000	FTK0810082404000	O/B:THE BANK OF NEW YORK MELLON	081008		S		300,000,000.00	
FTK0810082403900	FTK0810082403900	O/B:THE BANK OF NEW YORK MELLON	081008		S		148,202,570.00	
F2S0810088238606	NONREF	O/B:ABIC/XCMEUS4C	081008		S		115,623,570.00	
F2S0810080546706	NONREF	O/B:ABIC/XCMEUS4C	081008		S		55,372,000.00	
F2S0810080546900	NONREF	O/B:ABIC/XCMEUS4C	081008		S		11,004,150.00	
BRM0810080001000	BRM0810080001000	B/O,ICE CLEAR US INC NYC	081008		S		4,164,220.00	
BRM0810080002500	BRM0810080002500	B/O,ICE CLEAR US INC NYC	081008		S		395,000.00	
FTJ0810083996155	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081008		S	269,785,666.00		
FTT0810083421400	+++1007R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081008		S	169,400,818.00		
FTK0810082328600	CASH-REG 081008	BEN:THE OPTIONS CLEARING CORPORATI	081008		S	114,165,225.00		
FTK0810082344600	CASH-REG 081008	BEN:THE OPTIONS CLEARING CORPORATI	081008		S	77,418,898.00		
FTK0810082343500	CASH-REG 081008	BEN:THE OPTIONS CLEARING CORPORATI	081008		S	3,375,217.00		
BRM0810080001600	FNDS TRFR 081008	BEN,ICE CLEAR US INC NYC	081008		S	593,000.00		
FTK0810082339700	CASH-REG 081008	BEN:THE OPTIONS CLEARING CORPORATI	081008		S	22,686.00		
		CLOSING BOOK BALANCE	081008					0.01
		CLOSING AVAILABLE BALANCE	081008					0.01
FTK0810092576700	FTK0810092576700	O/B:THE BANK OF NEW YORK MELLON	081009		S		50,000,000.00	
F2S0810091914200	NONREF	O/B:ABIC/XCMEUS4C	081009		S		27,797,949.00	

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		X 131 Total Credits	5,158,731,082.23
		160 Total Debits	5,159,548,947.23
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F2S0810093674302	NONREF	O/B:ABIC/XCMEUS4C	081009		S		21,147,250.00	
FTK0810092576900	FTK0810092576900	O/B:THE BANK OF NEW YORK MELLON	081009		S		10,000,000.00	
FTK0810092521300	FTK0810092521300	O/B:THE BANK OF NEW YORK MELLON	081009		S		8,498,486.62	
BRM0810090001300	BRM0810090001300	B/O,ICE CLEAR US INC NYC	081009		S		1,904,640.00	
BRM0810090002400	BRM0810090002400	B/O,ICE CLEAR US INC NYC	081009		S		1,080,000.00	
FTK0810092516200	CASH-REG 081009	BEN:THE OPTIONS CLEARING CORPORATI	081009		S	75,780,703.25		
FTJ0810095234655	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081009		S	26,602,604.57		
FTT0810093425304	+++1008R1I34BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081009		S	13,132,190.00		
FTT0810093428005	+++1009I1I35BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081009		S	3,829,000.00		
BRM0810090001400	FNDS TRFR 081009	BEN,ICE CLEAR US INC NYC	081009		S	806,000.00		
FTK0810092516400	CASH-REG 081009	BEN:THE OPTIONS CLEARING CORPORATI	081009		S	277,827.80		
		CLOSING BOOK BALANCE	081009					0.0
		CLOSING AVAILABLE BALANCE	081009					0.0
F2S0810104254806	NONREF	O/B:ABIC/XCMEUS4C	081010		S		104,819,597.50	
F2S0810106620605	NONREF	O/B:ABIC/XCMEUS4C	081010		S		61,710,000.00	
BRM0810100001300	BRM0810100001300	B/O,ICE CLEAR US INC NYC	081010		S		6,946,250.00	
FTK0810102699700	FTK0810102699700	O/B:THE BANK OF NEW YORK MELLON	081010		S		6,377,247.00	
BRM0810100002200	BRM0810100002200	B/O,ICE CLEAR US INC NYC	081010		S		3,580,000.00	
F2S0810104249101	NONREF	O/B:ABIC/XCMEUS4C	081010		S		1,758,213.00	
ACC0810108338969	B1164	081009 CSCE CRED BRKRS	081010		S		111,515.25	
ACC0810108338964	BLBIS	081009 NYMEX CRED BRKRS	081010		S		51,602.25	
ACC0810108338975	BLBIS	081009 COMEX CRED BRKRS	081010		S		2,506.25	
FTJ0810106386555	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081010		S	58,279,728.98		
FTK0810102692300	CASH-REG 081010	BEN:THE OPTIONS CLEARING CORPORATI	081010		S	54,767,363.34		
FTK0810102702900	CASH-REG 081010	BEN:THE OPTIONS CLEARING CORPORATI	081010		S	47,182,160.70		
FTK0810102689400	CASH-REG 081010	BEN:THE OPTIONS CLEARING CORPORATI	081010		S	14,077,821.33		
FTT0810103433902	+++1010I1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081010		S	8,754,600.00		
FTK0810102703400	CASH-REG 081010	BEN:THE OPTIONS CLEARING CORPORATI	081010		S	1,516,468.90		
FTK0810102689700	CASH-REG 081010	BEN:THE OPTIONS CLEARING CORPORATI	081010		S	778,788.00		
		CLOSING BOOK BALANCE	081010					0.0
		CLOSING AVAILABLE BALANCE	081010					0.0
FTK0810143057700	FTK0810143057700	O/B:THE BANK OF NEW YORK MELLON	081014		S		120,000,000.00	
FTK0810142898900	FTK0810142898900	O/B:THE BANK OF NEW YORK MELLON	081014		S		63,568,036.00	
FTK0810143065800	FTK0810143065800	O/B:THE BANK OF NEW YORK MELLON	081014		S		50,000,000.00	
F2S0810142223906	NONREF	O/B:ABIC/XCMEUS4C	081014		S		10,440,000.00	
F2S0810149340702	NONREF	O/B:ABIC/XCMEUS4C	081014		S		10,277,650.00	
FTK0810142899300	FTK0810142899300	O/B:THE BANK OF NEW YORK MELLON	081014		S		4,772,979.54	
F2S0810126831401	NONREF	O/B:ABIC/XCMEUS4C	081014		S		4,080,350.00	
BRM0810140002900	BRM0810140002900	B/O,ICE CLEAR US INC NYC	081014		S		2,115,000.00	
FTT0810143438005	+++1013R1I35BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081014		S	195,305,817.50		
FTT0810143434606	+++1010R1I36BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081014		S	37,800,032.50		
BRM0810140000700	FNDS TRFR 081014	BEN,ICE CLEAR US INC NYC	081014		S	14,125,780.00		
BRM0810140001500	FNDS TRFR 081014	BEN,ICE CLEAR US INC NYC	081014		S	10,855,710.00		
BRM0810140002300	FNDS TRFR 081014	BEN,ICE CLEAR US INC NYC	081014		S	6,364,500.00		
FTT0810143443902	+++1014I1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081014		S	1,028,450.00		
FTJ0810140367855	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081014		S	504,889.04		
FTK0810142891500	CASH-REG 081014	BEN:THE OPTIONS CLEARING CORPORATI	081014		S	289,036.50		
FTJ0810140311344	05	BEN:BARCLAYS CAPITAL	081014		S	8,250.00		

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		160 Total Debits	5,159,548,947.23
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		CLOSING BOOK BALANCE	081014					1,028,450.
		CLOSING AVAILABLE BALANCE	081014					1,028,450.
FTK0810153327500	FTK0810153327500	O/B:THE BANK OF NEW YORK MELLON	081015		S		165,000,000.00	
F2S0810155830605	NONREF	O/B:ABIC/XCMEUS4C	081015		S		54,511,000.00	
F2S0810153056905	NONREF	O/B:ABIC/XCMEUS4C	081015		S		24,451,900.00	
FTK0810153326900	FTK0810153326900	O/B:THE BANK OF NEW YORK MELLON	081015		S		17,383,096.00	
BRM0810150002601	BRM0810150002601	B/O,ICE CLEAR US INC NYC	081015		S		7,995,000.00	
F2S0810153057100	NONREF	O/B:ABIC/XCMEUS4C	081015		S		6,485,800.00	
FTK0810153328000	FTK0810153328000	O/B:THE BANK OF NEW YORK MELLON	081015		S		6,000,000.00	
BRM0810150001600	BRM0810150001600	B/O,ICE CLEAR US INC NYC	081015		S		1,255,180.00	
FTK0810153224900	CASH-REG 081015	BEN:THE OPTIONS CLEARING CORPORATI	081015		S	164,746,982.99		
FTJ0810151941455	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081015		S	80,025,920.07		
FTK0810153229800	CASH-REG 081015	BEN:THE OPTIONS CLEARING CORPORATI	081015		S	25,867,566.00		
FTT0810153449103	+++1015I1I13BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081015		S	5,681,450.00		
FTK0810153225900	CASH-REG 081015	BEN:THE OPTIONS CLEARING CORPORATI	081015		S	5,122,096.94		
BRM0810150000300	FNDS TRFR 081015	BEN,ICE CLEAR US INC NYC	081015		S	608,500.00		
FTJ0810151907544	11	BEN:BARCLAYS CAPITAL	081015		S	1,010.00		
		CLOSING BOOK BALANCE	081015					0.(
		CLOSING AVAILABLE BALANCE	081015					0.(
F2S0810166830805	NONREF	O/B:ABIC/XCMEUS4C	081016		S		97,426,367.50	
FTJ0810163125155	FTJ0810163125155	DBT:BARCLAYS CAPITAL	081016		S		53,827,334.43	
F2S0810169209600	NONREF	O/B:ABIC/XCMEUS4C	081016		S		32,559,850.00	
BRM0810160000900	BRM0810160000900	B/O,ICE CLEAR US INC NYC	081016		S		10,317,900.00	
F2S0810169209705.	.NONREF	O/B:ABIC/XCMEUS4C	081016		S		4,436,000.00	
FTK0810163469400	CASH-REG 081016	BEN:THE OPTIONS CLEARING CORPORATI	081016		S	120,526,575.43		
FTK0810163478500	CASH-REG 081016	BEN:THE OPTIONS CLEARING CORPORATI	081016		S	57,781,813.40		
BRM0810160001400	FNDS TRFR 081016	BEN,ICE CLEAR US INC NYC	081016		S	8,450,000.00		
BRM0810160002400	FNDS TRFR 081016	BEN,ICE CLEAR US INC NYC	081016		S	4,655,000.00		
FTT0810163452202	+++1015R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081016		S	4,139,300.00		
FTK0810163476700	CASH-REG 081016	BEN:THE OPTIONS CLEARING CORPORATI	081016		S	3,014,763.10		
FTJ0810163131744	10	BEN:BARCLAYS CAPITAL	081016		S	100.00		
		CLOSING BOOK BALANCE	081016					100.0
		CLOSING AVAILABLE BALANCE	081016					100.0
FTK0810173768700	FTK0810173768700	O/B:THE BANK OF NEW YORK MELLON	081017		S		200,000,000.00	
FTK0810173694800	FTK0810173694800	O/B:THE BANK OF NEW YORK MELLON	081017		S		95,618,198.50	
FTK0810173695100	FTK0810173695100	O/B:THE BANK OF NEW YORK MELLON	081017		S		8,566,090.26	
F2S0810172248800	NONREF	O/B:ABIC/XCMEUS4C	081017		S		941,650.00	
FTJ0810174369155	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081017		S	188,283,204.26		
FTT0810173456305	+++1016R1I35BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081017		S	69,093,242.50		
FTT0810173456209	+++1016R1I11BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081017		S	20,218,100.00		
BRM0810170001100	FNDS TRFR 081017	BEN,ICE CLEAR US INC NYC	081017		S	10,978,830.00		
FTT0810173460003	+++1017I1I33BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081017		S	9,908,000.00		
FTK0810173679800	CASH-REG 081017	BEN:THE OPTIONS CLEARING CORPORATI	081017		S	3,799,562.00		
BRM0810170002100	FNDS TRFR 081017	BEN,ICE CLEAR US INC NYC	081017		S	2,835,000.00		
FTJ0810174188944	10	BEN:BARCLAYS CAPITAL	081017		S	9,900.00		
		CLOSING BOOK BALANCE	081017					0.0
		CLOSING AVAILABLE BALANCE	081017					0.0
FTK0810203861700	FTK0810203861700	O/B:THE BANK OF NEW YORK MELLON	081020		S		126,915,776.00	

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FTK0810203938400	FTK0810203938400	O/B:THE BANK OF NEW YORK MELLON	081020		S		122,005,120.00	
F2S0810192560909	NONREF	O/B:ABIC/XCMEUS4C	081020		S		19,229,579.00	
BRM0810200001600	BRM0810200001600	B/O,ICE CLEAR US INC NYC	081020		S		8,452,420.00	
F2S0810205716602	NONREF	O/B:ABIC/XCMEUS4C	081020		S		5,606,900.00	
FTJ0810205659855	FUT/OCC FUNDING	BEN:BARCLAYS CAPITAL	081020		S	128,237,436.06		
FTK0810203854600	CASH-REG 081020	BEN:THE OPTIONS CLEARING CORPORATI	081020		S	82,360,145.62		
FTT0810203467005	+++1020I1I135BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081020		S	29,350,000.00		
FTK0810203854700	CASH-REG 081020	BEN:THE OPTIONS CLEARING CORPORATI	081020		S	18,835,374.32		
FTT0810193462204	+++1017R1I14BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081020		S	15,774,274.00		
BRM0810200002200	FNDS TRFR 081020	BEN,ICE CLEAR US INC NYC	081020		S	4,655,000.00		
FTK0810203928100	CASH-REG 081020	BEN:THE OPTIONS CLEARING CORPORATI	081020		S	2,997,565.00		
		CLOSING BOOK BALANCE	081020					0.0
		CLOSING AVAILABLE BALANCE	081020					0.0
FTK0810214145400	FTK0810214145400	O/B:THE BANK OF NEW YORK MELLON	081021		S		147,602,013.00	
FTJ0810216872655	FTJ0810216872655	DBT:BARCLAYS CAPITAL	081021		S		96,090,240.07	
F2S0810218751307	NONREF	O/B:ABIC/XCMEUS4C	081021		S		30,837,000.00	
F2S0810216407900	NONREF	O/B:ABIC/XCMEUS4C	081021		S		18,181,500.00	
BRM0810210001800	BRM0810210001800	B/O,ICE CLEAR US INC NYC	081021		S		6,425,000.00	
FTK0810214098600	FTK0810214098600	O/B:THE BANK OF NEW YORK MELLON	081021		S		1,175,420.93	
FTK0810214082200	CASH-REG 081021	BEN:THE OPTIONS CLEARING CORPORATI	081021		S	151,625,636.00		
FTK0810214089000	CASH-REG 081021	BEN:THE OPTIONS CLEARING CORPORATI	081021		S	67,242,180.00		
FTT0810213467305	+++1020R1I35BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081021		S	38,539,880.00		
FTK0810214088900	CASH-REG 081021	BEN:THE OPTIONS CLEARING CORPORATI	081021		S	23,212,092.00		
FTT0810213469902	+++1021I1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081021		S	11,363,356.00		
BRM0810210000700	FNDS TRFR 081021	BEN,ICE CLEAR US INC NYC	081021		S	8,328,030.00		
		CLOSING BOOK BALANCE	081021					0.0
		CLOSING AVAILABLE BALANCE	081021					0.0
FTK0810224359700	FTK0810224359700	O/B:THE BANK OF NEW YORK MELLON	081022		S		227,180,839.00	
FTJ0810220087155	FTJ0810220087155	DBT:BARCLAYS CAPITAL	081022		S		213,479,285.79	
F2S0810222113405	NONREF	O/B:ABIC/XCMEUS4C	081022		S		40,680,000.00	
BRM0810220002000	BRM0810220002000	B/O,ICE CLEAR US INC NYC	081022		S		9,280,000.00	
F2S0810229364307	NONREF	O/B:ABIC/XCMEUS4C	081022		S		8,929,827.50	
FTJ0810220090455	FTJ0810220090455	DBT:BARCLAYS CAPITAL	081022		S		3,873,000.00	
FTJ0810227935744	FTJ0810227935744	DBT:BARCLAYS CAPITAL	081022		S		16,500.00	
FTJ0810227935644	FTJ0810227935644	DBT:BARCLAYS CAPITAL	081022		S		11,000.00	
FTK0810224238400	CASH-REG 081022	BEN:THE OPTIONS CLEARING CORPORATI	081022		S	240,368,824.00		
FTK0810224238500	CASH-REG 081022	BEN:THE OPTIONS CLEARING CORPORATI	081022		S	230,245,528.54		
FTK0810224257400	CASH-REG 081022	BEN:THE OPTIONS CLEARING CORPORATI	081022		S	13,564,489.75		
FTT0810223472801	+++1021R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081022		S	13,041,840.00		
FTT0810223476300	+++1022I1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081022		S	3,873,000.00		
BRM0810220001200	FNDS TRFR 081022	BEN,ICE CLEAR US INC NYC	081022		S	1,773,000.00		
BRM0810220001000	FNDS TRFR 081022	BEN,ICE CLEAR US INC NYC	081022		S	583,770.00		
		CLOSING BOOK BALANCE	081022					0.00
		CLOSING AVAILABLE BALANCE	081022					0.00
FTK0810234533700	FTK0810234533700	O/B:THE BANK OF NEW YORK MELLON	081023		S		116,166,012.00	
F2S0810232763805	NONREF	O/B:ABIC/XCMEUS4C	081023		S		31,772,615.00	
BRM0810230002300	BRM0810230002000	B/O,ICE CLEAR US INC NYC	081023		S		13,305,000.00	
FTK0810234456400	FTK0810234456400	O/B:THE BANK OF NEW YORK MELLON	081023		S		6,495,942.73	

Statement Number	CSH0810310023914	Account Number	890-0692-898
Statement Period	2008-10-01 - 2008-10-31	Opening Book Balance	817,865.00
		X 131 Total Credits	5,158,731,082.23
		160 Total Debits	5,159,548,947.23
	Page 6 of 8	Closing Book Balance	0.00

Our Transaction Reference	Your Reference Related Reference Our Description	Beneficiary Name (Ben)/ By Order of Party (B/O)/ Ordering Bank (O/B)/Other Information	Value Date YYMMDD	Entry Date MMDD	F	Debits (U.S. Dollars)	Credits (U.S. Dollars)	Balance (U.S. Dollars)
BRM0810230001000	BRM0810230001000	B/O,ICE CLEAR US INC NYC	081023		S		4,848,080.00	
F2S0810235455504	NONREF	O/B:ABIC/XCMEUS4C	081023		S		972,000.00	
FTK0810234445600	CASH-REG 081023	BEN:THE OPTIONS CLEARING CORPORATI	081023		S	125,394,061.00		
FTJ0810231211855	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081023		S	22,389,365.03		
FTT0810233477002	+++1022R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081023		S	15,281,580.00		
FTK0810234451400	CASH-REG 081023	BEN:THE OPTIONS CLEARING CORPORATI	081023		S	9,840,428.00		
FTT0810233481200	+++1023I1I11BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081023		S	338,798.00		
ACD0810232231350	F02084	081022 CME DEBIT FIRM	081023		S	159,911.00		
ACD0810232075150	F02835	081022 CME DEBIT FIRM	081023		S	155,506.70		
FTJ0810231219444	07	BEN:BARCLAYS CAPITAL	081023		S	29,500.00		
		CLOSING BOOK BALANCE	081023					29,500.0
		CLOSING AVAILABLE BALANCE	081023					29,500.0
F2S0810246753405	NONREF	O/B:ABIC/XCMEUS4C	081024		S		50,448,000.00	
FDF0810240946200	BDI OF 08/10/24	B/O:JPMORGANCHASE/203 DEF /4 NEW Y	081024		S		19,000,000.00	
F2S0810248753200	NONREF	O/B:ABIC/XCMEUS4C	081024		S		8,680,500.00	
BRM0810240002100	BRM0810240002100	B/O,ICE CLEAR US INC NYC	081024		S		5,380,000.00	
FTK0810244644100	FTK0810244644100	O/B:THE BANK OF NEW YORK MELLON	081024		S		5,102,055.66	
F2S0810246258102	NONREF	O/B:ABIC/XCMEUS4C	081024		S		3,775,726.00	
FTK0810244644300	FTK0810244644300	O/B:THE BANK OF NEW YORK MELLON	081024		S		2,928,457.57	
FTJ0810242425255	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081024		S	68,235,593.73		
FTT0810243482207	+++1023R1I27BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081024		S	18,813,882.50		
BRM0810240001100	FNDS TRFR 081024	BEN,ICE CLEAR US INC NYC	081024		S	5,100,470.00		
FTK0810244632200	CASH-REG 081024	BEN:THE OPTIONS CLEARING CORPORATI	081024		S	3,036,293.00		
FTJ0810242426344	12	BEN:BARCLAYS CAPITAL	081024		S	165,287.50		
BRM0810240001200	FNDS TRFR 081024	BEN,ICE CLEAR US INC NYC	081024		S	99,000.00		
		CLOSING BOOK BALANCE	081024					165,287.5
		CLOSING AVAILABLE BALANCE	081024					165,287.5
FTJ0810273840655	FTJ0810273840655	DBT:BARCLAYS CAPITAL	081027		S		26,396,621.99	
F2S0810269334105	NONREF	O/B:ABIC/XCMEUS4C	081027		S		25,437,542.50	
BRM0810270001000	BRM0810270001000	B/O,ICE CLEAR US INC NYC	081027		S		7,076,530.00	
FTT0810273491605	+++1027I1I35BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081027		S	18,774,000.00		
FTK0810274822100	CASH-REG 081027	BEN:THE OPTIONS CLEARING CORPORATI	081027		S	11,807,571.00		
FTK0810274822500	CASH-REG 081027	BEN:THE OPTIONS CLEARING CORPORATI	081027		S	8,066,846.50		
FTT0810263486702	+++1024R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081027		S	6,297,000.00		
FTK0810274822000	CASH-REG 081027	BEN:THE OPTIONS CLEARING CORPORATI	081027		S	5,028,079.49		
FTK0810274820900	CASH-REG 081027	BEN:THE OPTIONS CLEARING CORPORATI	081027		S	4,927,210.00		
BRM0810270001900	FNDS TRFR 081027	BEN,ICE CLEAR US INC NYC	081027		S	3,350,000.00		
FTT0810273491500	+++1027I1I11BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081027		S	504,200.00		
BRM0810270001200	FNDS TRFR 081027	BEN,ICE CLEAR US INC NYC	081027		S	10,500.00		
		CLOSING BOOK BALANCE	081027					0.0
		CLOSING AVAILABLE BALANCE	081027					0.0
F2S0810282852506	NONREF	O/B:ABIC/XCMEUS4C	081028		S		64,864,817.50	
FTK0810285095800	FTK0810285095800	O/B:THE BANK OF NEW YORK MELLON	081028		S		44,545,561.00	
BRM0810280000900	BRM0810280000900	B/O,ICE CLEAR US INC NYC	081028		S		13,637,270.00	
FTK0810285025000	FTK0810285025000	O/B:THE BANK OF NEW YORK MELLON	081028		S		4,538,512.74	
ACC0810283463574	F01835	081027 CME CRED FIRM	081028		S		432,029.91	
FTJ0810285057144	FTJ0810285057144	DBT:BARCLAYS CAPITAL	081028		S		165,287.50	
FTT0810283496605	+++1028I1I25BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081028		S	38,924,000.00		

BARCLAYS CAPITAL LE OCC A/C

Statement Number	CSM0810310023914	Account Number	890-0692-898
Statement Period	2008-10-01 - 2008-10-31	Opening Book Balance	817,865.00
		X 131 Total Credits	5,158,731,082.23
		160 Total Debits	5,159,548,947.23
Page	7 of 8	Closing Book Balance	0.00

Our Transaction Reference	Your Reference Related Reference Our Description	Beneficiary name (Ben)/ By Order of Party (B/O)/ Ordering Bank (O/B)/Other Information	Value Date YYMMDD	Entry Date MMDD	F	Debits (U.S. Dollars)	Credits (U.S. Dollars)	Balance (U.S. Dollars)
FTJ0810285060755	OCC/FUT FUNDING	BEN:BARCLAYS CAPITAL	081028		S	36,156,838.33		
FTK0810285017300	CASH-REG 081028	BEN:THE OPTIONS CLEARING CORPORATI	081028		S	34,459,441.00		
FTK0810285016400	CASH-REG 081028	BEN:THE OPTIONS CLEARING CORPORATI	081028		S	5,732,574.00		
FTT0810283493102	+++1027R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081028		S	5,635,720.00		
BRM0810280001800	FNDS TRFR 081028	BEN,ICE CLEAR US INC NYC	081028		S	4,370,000.00		
FTT0810283496702	+++1028I1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081028		S	2,500,500.00		
FTK0810285017200	CASH-REG 081028	BEN:THE OPTIONS CLEARING CORPORATI	081028		S	239,117.82		
		CLOSING BOOK BALANCE	081028					165,287.5
		CLOSING AVAILABLE BALANCE	081028					165,287.5
F2S0810295824206	NONREF	O/B:ABIC/XCMEUS4C	081029		S		146,845,430.00	
FTK0810295242800	FTK0810295242800	O/B:THE BANK OF NEW YORK MELLON	081029		S		103,082,872.00	
FTJ0810296251455	FTJ0810296251455	DBT:BARCLAYS CAPITAL	081029		S		100,934,267.10	
F2S0810295824302	NONREF	O/B:ABIC/XCMEUS4C	081029		S		1,173,823.00	
FTK0810295189400	CASH-REG 081029	BEN:THE OPTIONS CLEARING CORPORATI	081029		S	327,549,302.00		
BRM0810290001100	FNDS TRFR 081029	BEN,ICE CLEAR US INC NYC	081029		S	17,318,660.00		
FTK0810295189500	CASH-REG 081029	BEN:THE OPTIONS CLEARING CORPORATI	081029		S	2,393,119.00		
BRM0810290002000	FNDS TRFR 081029	BEN,ICE CLEAR US INC NYC	081029		S	2,380,000.00		
FTK0810295189300	CASH-REG 081029	BEN:THE OPTIONS CLEARING CORPORATI	081029		S	1,742,798.60		
BRM0810290001200	FNDS TRFR 081029	BEN,ICE CLEAR US INC NYC	081029		S	447,000.00		
FTT0810293503300	+++1029I1I11BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081029		S	370,800.00		
		CLOSING BOOK BALANCE	081029					0.0
		CLOSING AVAILABLE BALANCE	081029					0.0
FTJ0810307503855	FTJ0810307503855	DBT:BARCLAYS CAPITAL	081030		S		103,121,229.08	
F2S0810301569904	NONREF	O/B:ABIC/XCMEUS4C	081030		S		10,318,008.00	
FTK0810305361000	FTK0810305361000	O/B:THE BANK OF NEW YORK MELLON	081030		S		5,332,977.93	
BRM0810300001100	BRM0810300001100	B/O,ICE CLEAR US INC NYC	081030		S		1,585,710.00	
FTK0810305432400	FTK0810305432400	O/B:THE BANK OF NEW YORK MELLON	081030		S		1,105,536.00	
FTK0810305361300	FTK0810305361300	O/B:THE BANK OF NEW YORK MELLON	081030		S		1,031,228.99	
FTK0810305342500	CASH-REG 081030	BEN:THE OPTIONS CLEARING CORPORATI	081030		S	68,559,090.00		
FTT0810303504105	+++1029R1I25BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081030		S	23,350,890.00		
FTT0810303504201	+++1029R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081030		S	14,408,739.00		
BRM0810300001900	FNDS TRFR 081030	BEN,ICE CLEAR US INC NYC	081030		S	7,950,000.00		
FTT0810303507100	+++1030I1I11BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081030		S	4,585,963.00		
BRM0810300001200	FNDS TRFR 081030	BEN,ICE CLEAR US INC NYC	081030		S	3,640,000.00		
		CLOSING BOOK BALANCE	081030					0.01
		CLOSING AVAILABLE BALANCE	081030					0.01
FTJ0810311138255	FTJ0810311138255	DBT:BARCLAYS CAPITAL	081031		S		211,559,839.34	
F2S0810312105607	NONREF	O/B:ABIC/XCMEUS4C	081031		S		48,203,575.00	
FTK0810315590500	FTK0810315590500	O/B:THE BANK OF NEW YORK MELLON	081031		S		1,380,701.00	
FTK0810315538100	CASH-REG 081031	BEN:THE OPTIONS CLEARING CORPORATI	081031		S	206,399,152.00		
FTT0810313507402	+++1030R1I12BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081031		S	23,826,801.00		
FTK0810315537000	CASH-REG 081031	BEN:THE OPTIONS CLEARING CORPORATI	081031		S	12,580,741.00		
BRM0810310001100	FNDS TRFR 081031	BEN,ICE CLEAR US INC NYC	081031		S	8,722,670.00		
BRM0810310001800	FNDS TRFR 081031	BEN,ICE CLEAR US INC NYC	081031		S	5,760,000.00		
FTK0810315540300	CASH-REG 081031	BEN:THE OPTIONS CLEARING CORPORATI	081031		S	1,547,675.34		
FTT0810313510803	+++1031I1I13BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081031		S	1,390,076.00		
FTT0810313510606	+++1031I1I36BAR	BEN:CHICAGO MERCANTILE EXCHANGE	081031		S	917,000.00		
		CLOSING BOOK BALANCE	081031					0.00

Statement Number	CSM0810310023914	Account Number	890-0692-898
Statement Period	2008-10-01 - 2008-10-31	Opening Book Balance	817,865.00
		X 131 Total Credits	5,158,731,082.23
		160 Total Debits	5,159,548,947.23
Page	8 of 8	Closing Book Balance	0.00

Our Transaction Reference	Your Reference Related Reference Our Description	Beneficiary name (Ben)/ By Order of Party (B/O)/ Ordering Bank (O/B)/Other Information	Value Date YYMMDD	Entry Date MMDD	F	Debits (U.S. Dollars)	Credits (U.S. Dollars)	Balance (U.S. Dollars)
		CLOSING AVAILABLE BALANCE	081031					0.0

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS HOLDINGS INC., *et al.*, Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)

DECLARATION OF ARCHIBALD COX

I, Archibald Cox, pursuant to 28 U.S.C. § 1746 declare as follows:

1. I make this declaration on my personal knowledge. If called to testify, I would testify competently as follows.

2. In September 2008, I was Chairman of the Americas for Barclays. In connection with the September 22, 2008 sale transaction between Lehman and Barclays, I was one of several Barclays representatives involved in the negotiations with Lehman.

3. In my role in the negotiations, I was aware of Barclays' effort to immediately retain eight or nine of the top executives at Lehman.

4. Barclays considered it urgent to retain these individuals for numerous reasons. Barclays at that time had a relatively small presence in the United States in the types of business being acquired by Barclays. The top individuals at Lehman had substantial institutional knowledge of those businesses and further were seen as influential to retention of Lehman's clients and subordinate employees. In addition, during the negotiations, top executives at Lehman were already being approached by Barclays' competitors and recruited away. Dissipation of clients, employees and institutional knowledge through loss of top executives to Barclays' competitors could

have been devastating to the business being acquired by Barclays. It therefore was critical to Barclays immediately to retain as many of the top executives as possible.

5. Barclays did not make offers to or retain top executives in bad faith for the purpose of influencing those individuals' actions during the negotiation process.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20th day of January, 2010, at New York, New York.

Archibald Cox, Jr.

BCI EXHIBIT

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CONTAINS HIGHLY CONFIDENTIAL INFORMATION

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., *et al.*,	08-13555 (JMP)
Debtors.	(Jointly Administered)

DECLARATION OF PAUL EXALL

I, Paul Exall, pursuant to 28 U.S.C. § 1746 declare as follows:

1. I make this declaration on my personal knowledge. If called to testify, I would testify competently as follows.

2. I am currently Head of Compensation Analytics across Investment Banking and Investment Management at Barclays Capital. My job, in 2008, entailed managing aspects of the compensation of former Lehman employees who transferred to Barclays as a result of the sale transaction between Lehman and Barclays in September 2008.

3. Records available to me indicate that Robert Azerad's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus. Mr. Azerad's 2008 compensation from Barclays included [redacted] annual salary and [redacted] cash bonus.

4. Records available to me indicate that Gerald Donini's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus. Mr. Donini became the head of U.S. Equities for LBI in 2008, succeeding

CONTAINS HIGHLY CONFIDENTIAL INFORMATION

Bart McDade. After Barclays' acquisition of LBI's U.S. broker dealer business, Mr. Donini became Global Head of Equities at Barclays Capital.

5. Records available to me indicate that Eric Felder's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus. My records indicate that Mr. Felder received a 2008 guaranteed cash bonus advance from Lehman of [redacted] that I understand Mr. Felder subsequently repaid to Lehman. As a result, Barclays matched his 2008 compensation at Lehman by offering him the same guaranteed cash bonus and annual salary.

6. Records available to me indicate that Joseph Gatto's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

7. Records available to me indicate that Michael Gelband's 2007 compensation from Lehman included [redacted] base salary and no bonus. I understand that Mr. Gelband was terminated in 2007 and rehired on or about June 25, 2008, with a salary of [redacted], but no bonus agreement. Mr. Gelband came to Barclays in 2008, but did not sign an employment agreement, although the draft employment agreement for Mr. Gelband included a 2008 bonus of [redacted] Mr. Gelband left Barclays in October 2008 and was paid [redacted] as part of his separation agreement.

8. Records available to me indicate that Steven Hash's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

CONTAINS HIGHLY CONFIDENTIAL INFORMATION

9. Records available to me indicate that Thomas Humphrey's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

10. Records available to me indicate that Alex Kirk's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus. Mr. Kirk originally joined Barclays but did not sign an agreement. He left in November 2008 and was paid [redacted] as part of his separation agreement.

11. Records available to me indicate that Hyung Lee's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus. Shortly after Mr. Lee signed his Barclays' employment agreement in 2008, Barclays made the decision to terminate Mr. Lee's employment. The employment agreement provided for Mr. Lee to receive a guaranteed bonus of [redacted] and a two year Special Cash Award of [redacted] Upon termination, a dispute arose regarding Barclays' obligations regarding the Special Cash Award. Mr. Lee pursued litigation, and in settlement, Barclays paid Mr. Lee [redacted] Special Cash Award.

12. Records available to me indicate that Ajay Nagpal's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

13. Records available to me indicate that Paul Parker's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

CONTAINS HIGHLY CONFIDENTIAL INFORMATION

14. Records available to me indicate that James Seery's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

15. Records available to me indicate that Mark Shafir's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

16. Records available to me indicate that Mark Shapiro's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

17. Records available to me indicate that Ros Stephenson's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] stock bonus.

18. Records available to me indicate that Jeffrey Weiss' 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

19. Records available to me indicate that Larry Wieseneck's 2007 compensation from Lehman included was [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

20. Records available to me indicate that Daniel Fleming's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

CONTAINS HIGHLY CONFIDENTIAL INFORMATION

21. Records available to me indicate that John Coghlan's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

22. Records available to me indicate that James Hraska's 2007 compensation from Lehman included [redacted] base salary, [redacted] cash bonus, and [redacted] equity bonus.

23. Records available to me indicate that Bart McDade joined Barclays, but did not sign an employment agreement. He received base salary at a rate of [redacted] per year, which was the same as his 2007 Lehman base salary. He did not receive a 2008 bonus payment.

24. Records available to me indicate that when Paolo Tonucci joined Barclays, his title was U.S. Treasurer. Mr. Tonucci was promoted to Head of Group Balance Sheet at Barclays on or about February 2009.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 22d day of January, 2010, in London, England.

Paul Exall

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS HOLDINGS INC., *et al.*, Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)
In re LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (JMP)

DECLARATION OF GARY ROMAIN

I, Gary Romain, declare as follows:

1. I submit this affidavit in support of Barclays' Opposition to the Rule 60 motions filed by the Debtor, the SIPC Trustee, and the Official Committee of Unsecured Creditors ("the Committee").

2. This affidavit explains the process of attempting to formulate the acquisition balance sheet for the Barclays acquisition of Lehman's North American broker-dealer business, and also explains the negative goodwill number ultimately reported by Barclays in the acquisition balance sheet reported in February 2009.

3. During the week of September 15, 2008, I was in New York and involved in attempting to formulate estimates for the acquisition balance sheet for the Barclays acquisition of the Lehman North American broker-dealer and investment banking business. I attempted to formulate these estimated balance sheets based upon information

provided to me by business representatives involved in the transaction, principally Stephen King.

4. The process of estimating the acquisition balance sheet was filled with guesswork and approximations, and involved constantly changing inputs. Prior to the closing, it was in my view never completely certain that the transaction necessarily would generate negative goodwill, and certainly was never certain what the amount of such negative goodwill might be. Indeed, it took several months after the closing to complete a proper valuation and accounting for all of the assets acquired in the deal, and it was not until that work was complete that we could arrive at a fair level of confidence as to what the value of the acquired assets really was, and what the negative goodwill number really was.

5. It was never my understanding that we would account for assets using the carrying values for those assets on the Lehman books. Rather, my understanding was that we would recognise assets at fair value in accordance with our own accounting and valuation methodologies. This would require the relevant business teams to perform a valuation of the acquired financial assets, which is then verified by our Product Control Group ("PCG"). This process ended up taking several months after the acquisition, because many of the assets we acquired were illiquid assets, such as structured financial products, which took significant time to value accurately.

6. During the negotiations of the original Asset Purchase Agreement ("APA") over the days of September 15 and 16, I received information regarding the assets that were expected at that point to be included in the transaction. The information I received showed that our business teams believed the financial inventory was worth less

than the carrying value on the Lehman books. In formulating my initial estimates of the acquisition accounting and potential negative goodwill number, I used the fair value estimates of our risk managers, not the higher carrying value for those assets on the Lehman books. It was never my understanding or expectation that Barclays would "mark up" the assets to the carrying value on the Lehman books.

7. This can be seen in an initial calculation I performed during the middle of the night between September 15 and 16, 2008, which was e mailed by me (using Tom McCosker's e mail account) to a number of Barclays finance professionals (in a document carrying Bates number BCI-EX-(S)-00023761). In that calculation, it was noted that there was approximately a $3.5 billion "valuation adjustment" from the "carrying amount" (which may have reflected the carrying amount as of some date on the Lehman books) for the financial inventory that was at that point understood be part of the acquisition – from approximately $64 billion to approximately $60.5 billion. As shown in that document, my calculations of the potential acquisition balance sheet and potential negative goodwill number therefore used $60.5 billion as the estimate for the value of this inventory on our balance sheet, not the higher "carrying amount".

8. The difference between the "carrying amount" and the amount our business teams believed to be the fair value of the assets was not a "discount" from fair value. If there was any adjustment from the carrying amount, it is my understanding that reflected the fact that our business teams believed the carrying amounts were too high (either because the Lehman marks had not been updated or for any other reason, including legitimate differences of opinion regarding the value of certain illiquid assets included in the financial inventory).

9. I do not recall any discussion in connection with the Barclays-Lehman acquisition of a $5 billion discount. I was never told that Barclays would be able to record negative goodwill in the transaction by virtue of our ability to recognise the financial inventory at $5 billion higher than the amount estimated to be the value of the assets in the negotiations with Lehman.

10. I have reviewed the "Board discussion materials" entitled "Project Long Island," and dated as of September, 2008. I understand these materials were prepared for and presented to the board of directors of Barclays in order to obtain approval for the Lehman acquisition. The information included in these materials was later revised in a number of respects. For example, the numbers in the board materials refer to Barclays receiving $6.5 billion of mortgage assets. The APA's definition of Long Positions does not include any amount for mortgage securities, and therefore it is not an appropriate comparison to compare the APA's estimated value of $70 billion for the Long Positions with the $75 billion in the Barclays board deck. Indeed, for this comparison to make sense, it would seem necessary to extract out the mortgages from the board deck, which would result in a total asset value estimate of less than $70 billion. Thus, as with all of the other initial attempts to summarise the financial inventory being acquired in the sale, the "Board discussion materials" represented an initial estimate that was subsequently revised in significant respects.

11. By Friday, September 19, 2008, I became aware that Barclays had engaged in a transaction to replace the "repo" loan of the Federal Reserve Bank of New York ("New York Fed"), and that under this transaction Barclays had advanced $45 billion in cash to Lehman, and had received securities as "repo collateral" in exchange.

At around the same time, I learned that the financial inventory being acquired in the deal was going to include the repo collateral as well as certain other assets that were to be documented in a letter agreement, and that the initial inventory that had been discussed and estimated at the beginning of the week was not available to transfer in the amounts originally discussed. During the weekend of September 20-22, 2008, I began to receive information regarding the estimated values of the repo collateral and other assets Barclays was acquiring in the transaction.

12. The securities in the repo collateral included many assets that had not yet been reviewed by Barclays risk managers, and that carried "marks" from either Lehman or one of the custodian banks involved in the repo transaction – JP Morgan Chase ("JPM") or Bank of New York Mellon ("BNYM"). Many of these assets were illiquid and did not have readily obtainable trading values. Thus, in making initial estimates for the acquisition balance sheet at and around the time of the closing, I would provide the "marked" value of the inventory (as marked by the repo custodian banks), as well as an estimated "valuation adjustment" to show the rough estimate regarding the likely need to write down these assets. These were very preliminary estimates, however, and did not reflect the proper valuation work that would subsequently be performed by the business teams and verified by PCG.

13. After the closing, the process of finalising this acquisition balance sheet was very time consuming and prolonged. The complexity of the transaction, the illiquid nature of many of the securities, and the fact that Barclays had poor information regarding many of the assets in the deal made it difficult to finalise the acquisition balance sheet for several months. For example, it took months for Barclays to determine

the identity and value of all of the assets associated with the exchange-traded derivatives accounts it had acquired. Similarly, it was not until December 2008 that Barclays resolved its dispute with JP Morgan and LBI over the $7 billion shortfall in the repo transaction. In addition, throughout this time period, I received information and updates from the business teams and PCG professionals who were involved in identifying and valuing the various categories of assets acquired by Barclays in the transaction.

14. On February 9, 2009, Barclays filed its SEC Form 6-K, and included in that form a public filing of its acquisition balance sheet showing the assets and liabilities recorded as part of the Lehman acquisition. That acquisition balance sheet was published in pounds sterling, but when converted into dollar terms (using the exchange rate in effect as of that date), it lists total assets of $59.1 billion and total liabilities and consideration of just over $54.7 billion, plus $300 million in equity-settled share schemes. This published acquisition balance sheet showed a total gain on the acquisition of just over £2.2 billion, which corresponded to just over $4.1 billion.

15. During the course of the Rule 2004 discovery that took place in July, August and September of 2009, we produced back up financial data to help demonstrate the component parts to the acquisition balance sheet. This backup financial information shows that the total assets on the acquisition balance sheet included approximately $1.93 billion of "PIM customer receivables" and "PIM deposit," which reflected amounts owed to Barclays from PIM customers and from the LBI Trustee which offset liabilities owed to customers that Barclays assumed in taking over the PIM accounts. The offsetting liabilities on the acquisition balance sheet are listed as a $1.93 billion amount of "PIM customer payables" reflecting amounts owed to PIM customers.

16. The acquisition balance sheet as originally published did not distinguish between categories of assets in precisely the same manner as is reflected in the purchase contract. Thus, in order to make clear the values Barclays ultimately arrived at for each contractual category of assets Barclays was entitled to receive under the contract, I have undertaken an effort, with the assistance of other colleagues in the finance department, to break down the values by contractual category.

Repo Collateral: Schedule A and December Settlement

17. Section 1(a)(ii)(A) and section 13 of the Clarification Letter provides that the Purchased Assets to be transferred to Barclays in the sale include all of the assets in the repo collateral. These assets consist of both (a) assets transferred to Barclays as part of the repo transaction on September 18, 2008, which were subsequently listed on Schedule A to the Clarification Letter, filed in Court on September 30, 2008, and (b) assets received by Barclays in the December 22, 2008 settlement agreement with JP Morgan and LBI (which was a settlement based upon the failure by JP Morgan to provide Barclays with $7 billion in cash as promised at the time the purchase contract was finalised).

18. The Schedule A assets transferred to Barclays on September 18, 2008 were valued as of the open of business on September 22, 2008 – the closing date. After considerable effort to value these assets (which took many weeks after the closing to complete), Barclays determined a fair value for these assets of $40,554 million (which consists of $39,916 million in securities at clean prices (i.e. excluding the value of accrued interest), and approximately $638 million in accrued interest and principal for matured securities within that portfolio). These numbers can be derived from documents

Barclays produced in discovery. In particular, Barclays produced a document showing its total valuation of all inventory actually transferred in September 2008, which includes both the Schedule A repo collateral securities as well as the Schedule B clearance box assets (Bates number BCI-EX-00099519). That document indicated that Barclays valued the total inventory of securities actually received in September 2008 at $40,690 million. The amount included in the acquisition balance sheet was $40,695m after adjusting for immaterial rounding items. From that number, my colleague Sean Teague extracted the values of all of the "Schedule B" clearance box assets (which are covered by section 1(a)(ii)(B) of the Clarification Letter), through a calculation that was prepared after the Rule 60 motions were filed. It is my understanding that document has been produced in this case. That calculation shows that Barclays valued all of the Schedule B assets actually transferred to Barclays in September 2008 to be $779 million. If that amount is subtracted from the total value of all inventory transferred to Barclays in September 2008, it yields the number of $39,916 million given above (the $40,695m included in the acquisition balance sheet reduced by the Schedule B assets of $779 million). Finally, the Gross Acquisition Balance Sheet produced by Barclays in the Rule 2004 discovery (Bates number BCI-EX-00115845) shows that Barclays received $300 million in "cash collateral" (reflecting matured securities within the repo collateral on Schedule A) and recognised $345 million of accrued interest on securities received in September 2008. Only $7 million of this interest amount related to Schedule B securities – the remainder reflects interest on Schedule A securities, and hence is included in the valuation of Schedule A assets.

19. The assets transferred to Barclays in the December settlement with JP Morgan and LBI consisted of $1.25 billion in cash and securities that Barclays valued at $3,741 million measured as of the December 22, 2008 date of receipt. Thus, the total value of all assets received in the JP Morgan settlement was $4,991 million. (This calculation can be derived from the document produced in discovery showing the total cash received in the December settlement (line 27 of document bates-numbered BCI-EX-00115845), and the document produced in discovery showing the total Barclays valuation for the securities transferred in the December settlement (which carries Bates number BCI-EX-00108700)).

20. Thus, based upon the foregoing, the total value of all assets Barclays received as "repo collateral," including all Schedule A assets and everything (both cash and securities) received in the December settlement with JP Morgan and LBI, equals $45,545 million (total Schedule A assets of $40,554 million plus securities in December settlement worth $3,741m plus cash received in December settlement of $1.25 billion).

Schedule B "Clearance Box" Assets

21. Section 1(a)(ii)(B) of the Clarification Letter provides that one of the categories of Purchased Assets to be transferred to Barclays in the sale are LBI's clearance box assets as of the closing, which as of September 21 were to be reflected on a Schedule B to the Clarification Letter. As explained above, the portion of the securities actually transferred to Barclays in September 2008 that were identified as Schedule B "clearance box" securities were valued by Barclays as being worth a total of $779 million at clean prices. In addition, Barclays recognised accrued interest associated with these

securities of $7 million. Thus, the total value of all Schedule B clearance box assets actually received by Barclays was $786 million.

22. In addition to the clearance box assets actually transferred to Barclays in September 2008, Barclays has identified other unencumbered LBI clearance box assets which have not yet been delivered. The total amount Barclays recognised on its opening day acquisition balance sheet for these undelivered clearance box assets is $707 million, as set forth in line 13 of the Gross Acquisition Balance Sheet. Barclays has identified additional unencumbered clearance box assets which have not yet been delivered, in the approximate amount of $148 million. However, these amounts have not yet been recognised in Barclays' accounts.

$769 Million in 15c3-3 Securities Or Their Equivalent

23. Section 8 of the Clarification Letter provides that Barclays shall receive $769 million of securities either from LBI's Rule 15c3-3 account, or the equivalent type of assets in an equivalent amount. These assets have not yet been delivered to Barclays. Barclays has, however, recognised these assets in its acquisition balance sheet at the amount which Barclays is entitled to receive – i.e.., $769 million. This is shown on line 17 of the Gross Acquisition Balance Sheet (Bates number BCI-EX-00115845).

Exchange-traded derivatives and property held to secure obligations under such derivatives

24. Section 1(a)(ii)(C) of the Clarification Letter provides that one of the categories of Purchased Assets to be transferred to Barclays is the exchange-traded derivatives and "any property that may be held to secure obligations under such derivatives." It took Barclays a great deal of time after the closing to arrive at final valuations for all of these derivatives and the associated margin or collateral held to

secure such derivatives. As reflected on the Gross Acquisition Balance Sheet (Bates number BCI-EX-00115845), these exchange-traded derivatives consist of both assets and liabilities, and they are divided into options and futures separately. For options, the proprietary and market maker positions were valued as being worth approximately a negative $1.1 billion as of the date of closing (line 42 of the Gross Acquisition Balance Sheet). (The value of the customer options was not included in the Acquisition Balance Sheet because Barclays did not acquire beneficial ownership of those options.) The value of the collateral that LBI had posted as margin to secure the OCC options was approximately $2.29 billion (divided between lines 16 and 26 of the Gross Acquisition Balance Sheet). The collateral for the options was listed on two different lines on the Gross Acquisition Balance Sheet only because I learned about various categories of such collateral at different times, and recorded them on different lines in the backup spreadsheet. The names given to those two different lines do not bear any substantive relationship to the categories of margin listed in each line item. For example, the fact that one line item (line 26) refers to "OCC customer and clearing margin" does not mean that the amounts listed in that line item were contained in the Lehman 074 Customer account.

25. In addition to options, the exchange-traded derivatives acquired by Barclays included futures. There are two line items on the Gross Acquisition Balance Sheet: line 20 shows "Futures assets" of 3.78 billion, and line 44 shows "Futures customer payables" of $2.6 billion. The "Futures customer payable" line is the value of the liability Barclays had as of the closing to pay amounts to futures customers who were transferred to Barclays as part of the overall sale transaction, coupled with the value of the liability that Barclays had as of the closing to pay amounts to futures exchanges and

brokers relating to futures. The "Futures assets" line item represents the sum of receivables from futures customers, brokers and exchanges, the net value of open futures positions and the value of all collateral held to secure the obligations under those futures.

26. Finally, the acquisition balance sheet also includes significant entries for intangible assets and other non-financial assets. Specifically, relevant accounting standards required Barclays to recognise $1.45 billion in intangible assets, reflecting assets such as customer lists that are expected, but not certain, to yield future economic value. These amounts must be amortised against future earnings. They are reflected on line 34 of the Gross Acquisition Balance Sheet (Bates number BCI-EX-00115845). In addition, Barclays recognised $530 million for fixtures, fittings and software, representing the physical and technical infrastructure acquired with the Lehman business. We also recognised $70 million in respect of prepayments and deposits that were acquired as part of the business. These amounts are listed on lines 35 and 36 of the Gross Acquisition Balance Sheet.

27. Thus, just over $2 billion of the gain on acquisition reflected in the acquisition balance sheet published in February 2009 is attributable to intangibles, physical plant, equipment, prepayment deposits, and similar infrastructure assets associated with the business – i.e., something other than financial trading assets.

28. All of the foregoing is derived from documents that have been produced in discovery in this matter, and that I have made an effort to explain to the best of my ability in response to questions asked during two different depositions I have given.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 26th day of January, 2010, in London, United Kingdom.

G. C. Romain

Gary Romain

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	
	:	
LEHMAN BROTHERS INC.,	:	Case No.: 08-01420(JMP)SIPA
	:	
Debtor.	:	

DECLARATION OF ALAN KAPLAN

I, ALAN KAPLAN, declare:

1. I am over the age of 21 and, if called to testify at trial, could competently testify to the following based on my personal knowledge.

2. Since 1984, I have been a member in good standing of the New York Bar. I am currently employed, and at all relevant times have been employed, by Barclays Capital as its Deputy General Counsel, Americas.

3. The repo transaction that Barclays entered into with Lehman Brothers at the behest of the Federal Reserve ("the Fed Replacement Repo") was transacted using the parties' standing Master Repurchase Agreement dated as of July 23, 1998, between LBI and Barclays Capital Inc ("the Master Repo Agreement").

4. On Friday, September 19, 2008, the Securities Investor Protection Corporation (SIPC) sought and obtained an order putting Lehman Brothers Inc. (LBI) under the control of a Trustee. This triggered contractual termination rights for Barclays under eight master agreements between various Barclays entities and LBI and launched a routine process within Barclays that resulted in Barclays serving on LBI notices of termination or default under each of those eight agreements. Among the agreements with respect to which a Notice of Early Termination was served was the Master Repo Agreement. This notice should not have been

sent. This error occurred because those individuals in the Legal Department at Barclays involved in preparing and sending the termination notices were not familiar with the Fed Replacement Repo. Those individuals in the Legal Department at Barclays who were familiar with the Fed Replacement Repo were not involved in preparing and sending the termination notices because they were focusing on aspects of the sales transaction. The parties corrected that error in paragraph 13 of the Clarification Letter. Paragraph 13 of the Clarification Letter provides in pertinent part that "the Notice of Termination relating to the Barclays Repurchase Agreement dated September 19, 2008 is hereby deemed rescinded and void *ab initio* in all respects."

I declare under penalty of perjury that the foregoing is true and correct.
Executed this 26th day of January, 2010, in New York, New York.

Alan B. Kaplan, Esq.

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS HOLDINGS INC., *et al.*, Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)
In re LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (JMP)

DECLARATION OF JAMES HRASKA

I, James Hraska, declare as follows:

1. I am currently Director of the Secured Financing Operations Group at Barclays Capital Inc. ("Barclays"). Prior to the closing of the Barclays acquisition, I was employed by Lehman Brothers. I have personal knowledge of the matters set forth in this declaration and could testify competently thereto at trial.

2. Section 1(a)(ii)(B) of the Clarification Letter, which was filed with the Court on September 22, 2008, states that the "Purchased Assets" include "such securities and other assets held in LBI's 'clearance boxes' as of the time of Closing, which at the close of business on September 21, 2008 were as specified on Schedule B [to the Clarification Letter]." I helped prepare the lists of assets used to create Schedule B to the Clarification Letter, which was filed with the Court on September 30, 2008, and which listed, as Schedule B itself says, "securities believed to be held in LBI's 'clearance boxes' as of the time of the Closing." Schedule B further

notes that it was filed "without prejudice to the right of Barclays to receive other securities held in such clearance boxes but not listed on Schedule B . . . ." A copy of Schedule B as filed with the Court is attached as Exhibit 1. Depository Trust & Clearing Corporation ("DTCC") was LBI's main domestic clearing facility and, as such, housed the majority of the assets in its clearance boxes. For that reason, the vast majority of the clearance box assets listed on Schedule B were held at LBI's clearance boxes at the DTCC.

3. Based upon a review of the assets that LBI has delivered to Barclays, LBI has delivered to Barclays certain of the assets listed on Schedule B, but not all of them. The delivered Schedule B assets had a "marked value" (as of the date of the pledge or transfer and based on the marks affixed by LBI or a custodial entity, which may not indicate what Barclays would determine to be the correct valuation, given the fact that many of the assets were illiquid and difficult to value) of $1.466 billion, and were delivered as follows: (a) $1.035 billion was pledged to Barclays on September 19, 2008; (b) $270 million was transferred on September 29, 2008; (c) $146 million was transferred on September 30, 2008; and (d) $15 million was transferred on September 30, 2008. All of those deliveries came from LBI's clearance boxes at the DTCC. The $1.035 billion pledged on September 19 did not actually leave Lehman's clearance box until after the Closing.

4. Barclays has not received any further delivery of the remaining assets listed on Schedule B. The assets on Schedule B that Barclays has not received can be identified by specific "CUSIPS" (a "CUSIP" is a unique number assigned to a specific type of asset). There are approximately 800 different "CUSIPS" listed on Schedule B that Barclays has not received. A list of those CUSIPS is attached as Exhibit 2.

5. I have also helped to prepare an independent analysis to identify any LBI assets held in clearance boxes that were available to be transferred to Barclays as of the closing, but which have not yet been delivered to Barclays.

6. The data used for this analysis was taken from multiple financial systems, including, among others, a system known as ADP and enabled us to look at the LBI stock record as of November 17, 2008, at which point many of the stock record "breaks" that had complicated the data used in compiling Schedule B had been resolved. Because, apart from resolving the "breaks", there should have been little or no activity since the time of the Closing that would have affected the assets in LBI's clearance boxes, we believed that this data provides good insight into which undelivered assets were in Lehman's clearing boxes as of the closing.

7. The population of clearance box assets identified in the course of this second analysis is listed on Exhibits 3, 4, and 5.

8. These two analyses demonstrate that there is a population of clearance box assets not yet delivered to Barclays.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 27 day of January, 2010, in London, United Kingdom.

James Hraska

Remainder of Exhibit Filed Under Seal

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS HOLDINGS INC., *et al.*, Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)
In re LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (JMP)

DECLARATION OF ERIC J. FELDER

I, Eric J. Felder, declare as follows:

1. I make this declaration on my personal knowledge and to supplement my July 31, 2009 deposition testimony. If called to testify, I would testify competently as follows.

2. In June 2008, I became head of global credit products at Lehman and on September 8, 2008, I became co-head of fixed income products. I am now head of global credit trading at Barclays Capital Inc. ("Barclays").

3. I had a limited role in connection with the September 2008 transaction between Lehman and Barclays (the "Sale Transaction"). My involvement was limited to discussions with Barclays on September 15-16 concerning certain classes of securities about which Barclays personnel were asking.

4. My best recollection of the September 15-16 discussions is that Barclays personnel were in a conference room at Lehman and, when questions were raised by those Barclay's personnel about Lehman's holdings in a particular asset class within the areas for which I was responsible, I would track down the Lehman person responsible for or most knowledgeable about that asset class and bring them to the room to speak with the Barclay's personnel. I believe I asked Kaushik Amin to address certain products, such as interest rate and foreign exchange products and commodities. I also asked Charlie Spero to address mortgage products. I personally answered questions about Lehman's holdings in high grade credit products (corporate bonds and preferred stock).

5. The September 15-16 discussions in which I participated involved a good faith, arms' length discussion of Lehman's holdings in the various classes of financial assets. There was nothing secret or nefarious about the discussions. I did nothing to conceal those discussions from anyone at Lehman or Lehman's counsel or Lehman's advisors at Lazard.

6. I had no role in negotiating or agreeing to any terms of the sale and had no decision making authority in connection with the sale negotiations.

7. In my limited involvement in the Barclays transaction on September 15-16, I acted in Lehman's interests and at no time did I breach any duty to Lehman. The discussions I had with Barclay's personnel occurred at the direction of my supervisors. I had no reason to believe at the time that it was not in the interest of Lehman to complete the sale to Barclays. My September 15-16 statements to Barclays executives concerning various classes of financial assets were part of an honest effort to allow the Barclays executives to arrive at their own assessment of those securities.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 27th day of January, 2010, at New York, New York.

Eric J. Felder

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS HOLDINGS INC., *et al.*, Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)
In re LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (JMP)

DECLARATION OF MICHAEL KEEGAN

I, Michael Keegan, declare as follows:

1. I make this declaration on my personal knowledge and to supplement my August 28, 2009 deposition testimony. If called to testify, I would testify competently as follows.

2. In September 2008, I was head of principal credit trading at Barclays Capital Inc. ("Barclays"), and I still hold that position.

3. I had three primary responsibilities in connection with Barclays' September 22, 2008 Lehman acquisition (the "Sale Transaction"). First, I was involved in assessing and attempting to estimate the value of certain classes of securities that Lehman proposed to transfer and certain classes of securities that Lehman did transfer to Barclays. I worked on this assessment with other executives from Barclays, primarily Stephen King and John Mahon. While we each reviewed a variety of asset classes, my primary focus was on corporate debt and equities. Stephen King focused primarily on

mortgages and asset-backed securities, as well as other asset categories, and John Mahon focused primarily on understanding various structured products and interest rate products. Second, I consulted with senior management of Barclays, Rich Ricci in particular, concerning our assessments. Third, I assisted in assessing the collateral that Lehman proposed to secure the debtor-in-possession financing that Barclays provided.

4. Before LBHI filed for bankruptcy, in the period from Friday, September 12, 2008 through Sunday, September 14, 2008, I participated in attempting to assess certain classes of securities in connection with an anticipated acquisition by Barclays of Lehman globally. At that time, we focused primarily on corporate debt, bank loans, equities, commercial real estate and private equity investments. That Sunday afternoon, I learned that the global transaction was not going forward and I stopped my work.

5. The next day, after the LBHI bankruptcy filing, I learned that Barclays was considering purchasing certain assets and assuming certain liabilities of LBHI and LBI in a bankruptcy sale. As a result, I returned to the Lehman headquarters offices and participated in Barclays' further assessment of certain classes of securities that Barclays might acquire in the transaction. My work on September 15-16 focused on the value and categories of financial assets that Barclays would acquire. Those September 15-16 efforts became largely irrelevant to the final transaction because the financial assets ultimately transferred to Barclays in the final transaction changed dramatically. The financial assets transferred to Barclays were determined primarily by Barclays' September 18 replacement of the Fed's financing of LBI. As a result, Barclays ended up receiving securities that it did not have an opportunity to assess in advance of the repo replacement transaction.

September 15-16

6. My colleague, Stephen King, head of the Principal Mortgage Trading Group of Barclays, was involved in most of the review of financial asset classes on September 15-16. At various times, he and I met different Lehman executives, including Eric Felder, Gerald Donini, Kaushik Amin, and Charles Spero, to review the inventory and to learn what assets Barclays would be acquiring as part of the overall acquisition of the Lehman broker-dealer business. We wanted to know what the inventory was so that we could estimate the realizable value of the assets. As Barclays' executives, we were concerned primarily that Barclays not have to record a write down after acquiring the inventory. We were also focused on what we would need to do to hedge the positions.

7. Many of the securities Barclays reviewed that Monday and Tuesday were very difficult to value accurately. We had some introduction to the inventory based on our September 12-14 diligence, but had very little time on September 15-16 to undertake this analysis in a detailed manner. We attempted to understand the underlying obligations and instruments and made assessments by asset category primarily. Given the volatility and uncertainty in the markets at that time, we recognized that there was necessarily uncertainty concerning our rough valuations.

8. Based on our review and analysis, we believed that Lehman had, in many instances, been aggressive with its valuations and had overvalued certain financial assets. In our view, many of the Lehman marks as of Friday, September 12, were not an accurate reflection of actual market value as of September 15-16. Given market conditions on September 15 and 16 — two of the worst days in Wall Street history — we believed that overvaluation problem had become worse and would likely worsen even further before negotiations were concluded and a final transaction closed. In addition to being aware of

the general disruption in the financial markets on September 15 and 16, I believed that many Lehman employees were not focusing on their regular responsibilities and were not concerned about making sure that positions were being marked correctly.

9. The September 15-16 review focused on properly estimating the value of the various asset classes. We were reviewing a massive portfolio of securities and were concerned about the liquidity of the assets. Barclays made an assessment of reasonable value for each asset class based on our understanding of the asset class, taking into consideration what we understood about the market value of the asset class and what we assessed as the liquidity risk for that asset class. In some instances we requested cusip level detail to make our assessment and in other instances we referred to higher level aggregate information.

10. We did not negotiate for a "$5 billion bulk discount" and I never understood that our work resulted in a "$5 billion discount from Lehman's marks." I certainly do not believe that the values we believed accurate and appropriate were $5 billion (or any other amount) less than the fair market value of those assets at that time. The values we believed accurate and appropriate were an *estimate* of fair market values.

11. We made no effort to keep our review of financial assets secret. I was not aware of anything being kept secret from anyone. I also was not aware of any attempt to induce any Lehman executive to agree to reduced valuations for any of their assets in exchange for personal employment offers. The review I participated in was conducted in an arm's length and good faith manner. We had agreement on some asset classes and disagreements on other asset classes. Where we could not agree on a reasonable valuation of certain positions, we agreed that those positions would be excluded.

Fed Replacement Transaction

12. In the late afternoon or early evening of Thursday, September 18, I was informed that, at the request of the Federal Reserve Bank of New York (the "Fed"), Barclays had entered into a reverse repurchase agreement transaction to replace the short term financing that the Fed had been providing to LBI (the "Fed Replacement Transaction" or the "reverse repo"). When I learned of the Fed Replacement Transaction, I was concerned about the enormous risk created by the transaction — the fact that Barclays had paid out $45 billion in cash for securities supposedly worth approximately $50 billion, but which might be worth less, might be losing value, and likely would be very difficult to liquidate.

13. I also realized that, instead of the trade we had discussed on September 15-16, the Fed Replacement Transaction would effectively dictate the financial assets Barclays would receive in connection with the Sale Transaction. As soon as Barclays started to receive securities in the reverse repo, I began to review the securities that were coming in. The securities Barclays was receiving on September 18 included, for example, a number of credit linked notes (synthetic securities the value of which actually depended on the creditworthiness of certain bankrupt or near-bankrupt Lehman entities). I later learned, in addition, that a substantial number of the securities we were receiving were different from the securities that had secured the Fed.

14. After further reviewing the delivery of securities in the reverse repo, I remained concerned that the repo collateral included securities that I felt were worth substantially less than the marks provided by either Lehman or the custodian banks involved in the repo (JP Morgan and Bank of New York Mellon). I understood at that point in time that Barclays was essentially going to be buying the repo collateral it

received, assuming the sale was approved, and I was concerned that the collateral was worth substantially less than the marks attributed to it. We were eventually told by Lehman that the inventory that was coming through was all that Lehman had. We were told that much of the inventory we reviewed and agreed to acquire on Monday was no longer available for various reasons. In addition, we were told that securities pledged previously to the Fed were being taken under standing business orders and were delivered to contractual counterparties as they came into the LBI clearing account and the securities coming through were all that was available. At some point Lehman executives indicated that they understood my concern and suggested that Lehman could consider identifying other miscellaneous categories of assets with value. They mentioned, for example, unpledged securities "in the box." I recall at some point looking at a list of that unpledged inventory, seeing that it consisted of things like restricted securities and other securities that could not be used for financing.

15. The purpose of a repo "haircut" (the value of purchased securities in excess of the loan amount) is to protect against the risks associated with liquidation in the event of a default. I was concerned that the haircut associated with the reverse repo would be inadequate to cover Barclays' liquidation risk, particularly given the state of the financial markets and the nature of the securities Barclays was receiving.

16. To address Barclays' concerns, Lehman identified other assets in the business — specifically, the unencumbered assets in its clearance boxes, which Lehman apparently estimated to be worth approximately $1.9 billion, as well as certain assets associated with its 15c3 account. On Friday morning, I was asked by Mr. Ricci whether Barclays should agree to take the clearance box assets. As to those assets, I was able to

get some comfort regarding certain specific positions, but many of the assets were highly illiquid and we could not get comfort on them. I specifically recall focusing on certain restricted stock positions and residuals of securitization deals that could not be pledged. There were only a handful of positions (roughly five or six municipal securities) among the "box" assets for which we could validate pricing based on a reliable source. I indicated to Mr. Ricci that I had no confidence that the clearance box assets would actually be worth $1.9 billion in value.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 27th day of January, 2010, at New York, New York.

M Keegan
Michael Keegan

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., *et al.*,	08-13555 (JMP)
Debtors.	(Jointly Administered)

DECLARATION OF MARTIN B. KELLY

I, Martin B. Kelly, declare as follows:

1. I make this declaration on my personal knowledge. If called to testify, I would testify competently as follows.

2. I am a Managing Director of Barclays Capital, Inc. ("Barclays") and the Chief Financial Officer of the Americas, which has offices at 745 Seventh Avenue, New York, New York 10019.

3. I served as the Global Financial Controller of Lehman Brothers Holdings, Inc. ("LBHI") in September 2008. I was employed by LBHI from approximately August 2000 through approximately May 2005, and then from January 2006 until September 2008. Upon my return to the firm in January 2006, I joined the Global Finance Solutions group, which was part of the Investment Banking business. During 2007, I transferred to the Hedge Fund group, which was also part of the Investment Banking business. Effective December 1, 2007, I became Global Financial Controller and remained in that position until I became a Barclays employee. In my role as Global Financial Controller, I was responsible for certain aspects of the firm's financial and regulatory reporting, both internally and externally. In September 2008, I reported to Ian Lowitt, LBHI's Chief Financial Officer.

4. I submit this declaration at the request of Barclays to respond to certain allegations that I understand have been made by LBHI and others in this case. However, this declaration does not respond to what I understand to be all of the allegations, and as such should not be understood to imply any agreement with LBHI's allegations, many of which I dispute.

5. On September 15, 2008, LBHI commenced a voluntary chapter 11 bankruptcy case. On the same day, I learned that Lehman and Barclays began negotiations regarding a transaction whereby Lehman would transfer certain assets and liabilities of LBHI, Lehman Brothers 745 LLC ("LB 745 LLC"), and LBI to Barclays (the "Sale Transaction").

6. As I understand it, the Sale Transaction was documented in an Asset Purchase Agreement, dated as of September 16, 2008 ("Asset Purchase Agreement"), amended by a Clarification Letter dated as of September 20, 2008. I was not involved in drafting any of the Sale Transaction documents, including the Asset Purchase Agreement and the subsequent Clarification Letter (the "Clarification Letter"). I understand that the United States Bankruptcy Court for the Southern District of New York issued an order approving the Sale Transaction on September 20, 2008 (the "Sale Order"). I did not testify at or attend any of the bankruptcy court hearings regarding the Sale Transaction.

7. In connection with the Sale Transaction, I was asked from time to time to assemble information. I assembled and provided such information based on data available to me and my team at the time, and endeavored to be accurate. I was not involved in negotiations surrounding the Sale Transaction.

8. I believe that at some point during the week of September 15, 2008, I was approached by Alvarez & Marsal North America, LLC ("Alvarez"), the restructuring advisor retained by the LBHI bankruptcy estate, regarding potential employment opportunities relating to

the estate. I believe that subsequent to this, I was approached about the possibility of employment at Barclays, either late in the week of September 15 or early in the week of September 22. In early October, I ultimately decided to accept the Barclays offer and signed an employment agreement dated October 10, 2008.

9. I understand that in connection with its Rule 60(b) motion to modify the Sale Order, LBHI alleges that I acted with conflicted loyalties in performing my tasks related to the Sale Transaction so that I could secure employment with Barclays. This is wholly untrue. I was acting in the best interests of my employer at that time, Lehman. I believe that I performed my responsibilities for my employer diligently, in good faith, and without any divided loyalties. I never acted in any way to favor the interests of Barclays over the interests of Lehman.

10. To the extent that I had conversations with anyone concerning the Sale Transaction, including the parties' advisors such as Alvarez and Debtors' counsel, Weil, Gotshal & Manges LLP, I sought to be responsive and accurate to the best of my abilities. Also, to be clear, I was not asked by anyone to act in any way that would conceal any aspect of the Sale Transaction, nor did I attempt to conceal any aspect of the Sale Transaction. I was not told to withhold information from any party or to keep secret any aspect of my responsibilities relating to the Sale Transaction.

I declare under penalty of perjury that the foregoing is true and correct. Executed this

27 day of January, 2010, in New York, New York.

Martin B. Kelly

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS HOLDINGS INC., *et al.*, Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)
In re LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (JMP)

DECLARATION OF STEPHEN KING

I, Stephen King, declare as follows:

1. I make this declaration on my personal knowledge and to supplement my September 10, 2009 deposition testimony. If called to testify, I would testify competently as follows.

2. At the time of the September 22, 2008 Lehman acquisition by Barclays Capital Inc. ("Barclays") (the "Sale Transaction"), I was a managing director of Barclays and head of the Principal Mortgage Trading Group, a trading and risk management group within Barclays.

3. My primary responsibility in connection with the Sale Transaction was in assessing and attempting to estimate the value of and risk management issues associated with certain classes of securities that Lehman proposed to transfer and certain classes of securities that Lehman did transfer to Barclays.

4. Before LBHI filed for bankruptcy, in the period from Friday, September 12, 2008 through Sunday, September 14, 2008, I participated in valuing and assessing certain classes of

securities in connection with an anticipated acquisition by Barclays of Lehman globally. That global transaction was never completed. After the LBHI bankruptcy filing on September 15, 2008, Barclays then began considering the purchase out of bankruptcy of certain Lehman assets and the assumption of certain liabilities. On September 15-16, in connection with that anticipated bankruptcy sale, I participated in further assessment of certain classes of securities that Barclays might acquire in the transaction.

September 15-16

5. It is my understanding, based on statements by Lehman representatives, that Lehman's counterparties, lenders and exchanges seized or closed out many of Lehman's long and short positions in the period from September 15 to September 19. As a result, many of the financial assets that I and others reviewed on September 15-16 were not included in the final Sale Transaction. Despite that fundamental change in the securities in the final transaction, I understand that the moving parties have nonetheless suggested that the earlier negotiations involved an improper and "secret" negotiation of a "$5 billion discount." To the best of my knowledge this assertion has no factual basis as I explain herein. Various discussions regarding Lehman marks were open, not secret, and occurred in open conference rooms at Lehman's headquarters.

6. My review of Lehman financial assets on September 15-16 was a good faith effort to arrive at an understanding of the approximate value of the securities Barclays would acquire as part of the business. In a volatile and uncertain market, and with very little time available, I made a good faith effort to estimate reasonable values. These included the value of certain illiquid, complex mortgage securities based on the securitization of consumer credit.

7. I also needed to understand how to hedge or dispose of certain long positions. At the time, given the market turmoil, I had concerns that these long positions would be very difficult to liquidate, and that the basis risk of hedges would be high.

8. Many of the securities Barclays reviewed that Monday and Tuesday were highly illiquid, were not traded on any exchange, and were very difficult to value accurately. We did the best we could in the very short time available to us, but recognized that there was room for doubt about the valuations, particularly given the extraordinary market conditions and limited availability of securities related information under which we were operating.

9. Contrary to the movants' suggestion that the parties negotiated a "secret discount." I recall openly discussing certain mortgage-backed securities with Charlie Spero of Lehman, including that it was appropriate for Barclays to make its own independent assessment. I also recall a discussion with Bart McDade near the sofas in the open area outside the conference rooms where various groups were meeting. While others listened or passed by, Mr. McDade asked why I was estimating the value of certain asset classes below what Lehman had them marked at. I explained openly that I was making estimates based on my team and other relevant Barclay's employees' view of the value of those asset classes and taking into account relevant information.

10. On September 15-16, my focus was on making sure Barclays understood the value of the positions it was acquiring and making sure we understood what would be necessary to hedge the long positions.

11. By September 17, my focus changed to the Fed repo that Barclays was asked to assume.

Fed Replacement Transaction

12. On Wednesday, September 17, I learned that the Federal Reserve Bank of New York (the "Fed") requested that Barclays enter into a reverse repurchase agreement transaction to replace the short term financing that the Fed had been providing to LBI (the "Fed Replacement Transaction" or the "reverse repo"). I was asked to determine if the portfolio of securities that were subject to the Fed repo (the "Fed Portfolio") would be sufficient to protect Barclays if Barclays provided $45 billion to LBI.

13. I had only about two hours to review a list of Fed Portfolio securities and give an opinion. That was obviously not enough time to conduct a thorough analysis. I did that review on a high level, asset class basis, and concluded that this was not a trade I would ever recommend in normal circumstances. Nevertheless, I believed that while the Fed Portfolio securities were not worth what they had been marked at by the custodian (approximately $50 billion), they would probably be adequate (assuming a controlled liquidation) to secure a $45 billion advance in circumstances where Barclays was under considerable pressure to make the advance. The reverse repo securities included positions that we had previously concluded were extremely illiquid.

14. The reverse repo transaction was executed on Thursday, September 18. By that time, I understood that the reverse repo transaction would become part of the purchase transaction, given LBI's inability to repay the $45 billion. Recognizing that this would be a transfer of a massive number of unhedged long positions, I began to plan a hedging and liquidation strategy to protect Barclays against that risk.

15. By the morning of Friday, September 19, I learned that the securities Barclays actually received in the reverse repo were quite different from the Fed Portfolio securities I had previously reviewed. In addition, there was a shortfall in delivery of securities. Even assuming

the marks from the custodian banks were accurate (which we did not believe to be the case), the repo collateral actually transferred to Barclays on the evening of September 18 was approximately $7 billion less than the amount that was required to be transferred to Barclays under the applicable haircut schedule from the Master Repurchase Agreement.

16. I understand that operations executives of Barclays reached an agreement with LBI and JPMorgan Chase to cover the delivery shortfall by a cash deposit of $7 billion to a Barclays tri-party account at JPMorgan Chase. We anticipated that if JPMorgan Chase and LBI eventually transferred securities in substitution of that deposit, the value of those securities would in fact be less than $7 billion.

17. As of September 18-19, I and other Barclays executives were very concerned that the value in what was transferred and what remained to be transferred to Barclays in the repo transaction would not exceed $45 billion. Bank of New York Mellon ("BNYM"), Barclays' custodial agent, had marked the securities Barclays received on September 18 at roughly $43 billion. I believed at the time that the value of what Barclays had received in the reverse repo on September 18 had a value well below the BNYM marks.

18. To the best of my knowledge at no time did Barclays ever reach a secret agreement with Lehman that the reverse repo would be used to transfer to Barclays an undisclosed $5 billion discount.

19. I do not believe there was any other party who would have bid the securities portfolio from the Fed. Contrary to normal bidding practices, I do not think the valuations attributed to the securities portfolio by Barclays reflected the discount one would normally expect in situations where there were no bidders. If the portfolio had been liquidated pursuant to a normal liquidation of a Repo, I think the price realized would have been considerably less.

Exchange Traded Derivatives

20. In the period from the signing of the original Asset Purchase Agreement to the closing of the Sale Transaction, I had a consistent understanding that Barclays would not acquire Lehman's over-the-counter derivatives business, but that Barclays would acquire Lehman's exchange-traded derivatives business. I necessarily assumed that the exchange-traded derivatives business included not only the derivatives positions but also the associated collateral and margin posted with clearing corporations, exchanges or other intermediary custodians. I understand that the moving parties now assert that they believed Barclays would acquire exchange-traded derivatives positions without the associated collateral. Based on my understanding of exchange-traded derivatives, that is illogical and I do not believe we would have agreed to that. An exchange-traded derivative can only be exchange traded if there is collateral posted with the exchange to secure the position. The position and the collateral are necessarily connected and it was never my understanding that we would acquire the exchange-traded derivative positions without also acquiring the associated collateral. It was my objective to preserve the value of the collateral to protect against losses on the open risk position.

21. Over the September 20-21 weekend and through Monday, September 22, I tried repeatedly to gain an understanding from Lehman concerning the value of the assets and liabilities in the exchange-traded derivatives accounts that Barclays was acquiring. Because Barclays was taking over all positions as well as the settlement obligations associated with the accounts, the exchange-traded derivatives represented a risk, with potential liabilities and losses. LBI personnel were unable to provide any reliable information. As of several hours after Closing, all I knew was that the exchange-traded derivatives had an estimated delta of anywhere from $2 billion short to $4 billion long. Accordingly, as of the Closing, the value of the

exchange-traded derivatives Barclays had acquired was highly uncertain, and a significant source of concern.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 27 day of January, 2010, at New York, New York.

Stephen King

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: LEHMAN BROTHERS HOLDINGS INC, et al., Debtor.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)
In re: LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (JMP)

DECLARATION OF VICTOR I. LEWKOW

Pursuant to 28 U.S.C. § 1746, VICTOR I. LEWKOW hereby declares:

1. I am a partner with the law firm of Cleary Gottlieb Steen & Hamilton LLP ("Cleary Gottlieb"). I was the senior mergers and acquisitions partner on the Cleary Gottlieb team representing Barclays Capital Inc. ("Barclays") starting on Friday, September 12, 2008 in connection with the potential acquisition of a substantial portion of the worldwide businesses and assets of Lehman Brothers Holdings Inc. ("LBHI"). That project terminated mid-day on Sunday, September 14. Following LBHI's filing for bankruptcy, on the morning of September 15, 2008 we were contacted to start work on the potential acquisition by Barclays of the North American brokerage and investment banking business of Lehman Brothers Inc. ("LBI").

2. I began working at Cleary Gottlieb as an associate in 1973 and have been a partner since 1982. My practice focuses on public and private merger and acquisition transactions. I also advise corporations and their boards regarding governance issues and the fiduciary duties of directors. I am the Co-Chair of Tulane's Corporate Law Institute, the leading annual seminar for U.S. merger and acquisition lawyers, and a regular speaker at the Practicing Law Institute's annual Contests for Corporate Control seminar. I am also a member of the Editorial Advisory Board of The M&A Lawyer, and have authored or co-authored a number of publications on merger and acquisition, fiduciary duty and corporate governance topics, including the Corporate and Securities Law chapter in the Manual of Foreign Investment in the United States, Third Ed. 2004, "'Continuing Director' Change In Control Provisions After Amylin," The M&A Lawyer, June 2009, "Director Liability in the Sale Process," New York Law Journal, Nov. 17, 2008, "Left at the Altar: Creating Meaningful Remedies for Target Companies," The M&A Lawyer, October 2007, "US Best-Price Rule - Return of the Tender Offer," IFLR, January 2007, "Revlon Duties 'R' Us," The M&A Lawyer, September 2005, "The Embattled Poison Pill," Insights, April 2005; and "Reflections on the Disney Decision," The M&A Journal, 2005. Additionally, I have taught mergers and acquisitions as an Adjunct Professor at New York University School of Law.

3. I base this Declaration on my personal knowledge, review of transaction documents and, where indicated, the recollection of my partners who worked with me on this engagement and with whom I have consulted in the preparation of this Declaration. In preparing this Declaration, I have neither relied on nor disclosed privileged communications. Rather, I have relied on my recollection and such consultations concerning non-privileged communications between the parties to the transaction (and their advisors and counsel).

Nature of the Transaction

4. In my discussions during the September 15-22, 2008 period with representatives of the Debtor, some of which occurred in the presence of representatives of the Trustee and the Creditors' Committee, and in the transaction documents, the transaction was always discussed and documented as the purchase of all of the assets associated with the "Business," as defined in such transaction documents, including specifically listed assets and the assumption of certain identified liabilities and excluding specific assets. The transaction was never discussed or documented as what might be called a "balance sheet" transaction, which would have included pre-closing and/or post-closing purchase price adjustment provisions relating to a valuation of the transferred assets and liabilities. Further, I do not recall anyone involved in the transaction ever suggesting that the deal was supposed to be a "wash" with the value of assets acquired equal to the value of liabilities assumed.

Employment offers

5. Both during the negotiations of the Asset Purchase Agreement among LBHI, LBI (collectively, "Lehman"), LB 745 LLC and Barclays Capital Inc. ("APA") and in the period between the APA's execution and the Closing on September 22, 2008, the lawyers representing Barclays (Cleary Gottlieb and Sullivan & Cromwell, LLP ("S&C")) and Lehman (Simpson Thacher & Bartlett LLP ("Simpson") and Weil Gotshal & Manges LLP ("Weil")), were aware that Barclays representatives were and would be meeting with senior Lehman executives to discuss with them the possibility of their coming to work for Barclays were a sale transaction to occur. Those discussions were not secret. Nor was any effort made to conceal them.

6. More specifically, the lawyers directly involved in the negotiations from both sides were aware that Barclays was in discussions with senior Lehman executives regarding

potential employment. Initially, Barclays sought a closing condition in the Asset Purchase Agreement that eight senior officials agree to join Barclays in connection with the transaction. It was noted in the discussions of such request that Barclays was already in discussions with some of those eight, but the Debtor's representatives did not want the transaction subject to a condition that an agreement be reached in the very short time frame prior to the anticipated Closing. Also, from the beginning of negotiations of the Asset Purchase Agreement, Barclays sought a closing condition tied to a high percentage of a broader group of top LBI personnel being willing to continue employment with Barclays, which given the extraordinary timing of the transaction would need to be satisfied within a matter of days. Following negotiations, the Asset Purchase Agreement conditioned Barclays' obligation to close on at least 70% of the persons in the targeted population of senior executives continuing to be employed and Lehman senior management having determined in good faith that they would continue to be employed following the Closing. A related provision required Barclays to make offers of continued employment to each employee in that targeted population. APA §§ 9.1(a), 10.1(b).

Execution of the Asset Purchase Agreement

7. The Asset Purchase Agreement was finalized late at night on Tuesday, September 16, 2008 or shortly after midnight on Wednesday, and was executed in the early hours of Wednesday, September 17.

8. The APA, which was filed with the Court on September 17, bears hand-written edits to the typed document. These hand-written edits were made, pursuant to joint instructions by lawyers from Cleary Gottlieb on the one hand and Weil and Simpson on the other, at the last stages of the negotiations on the night of September 16 (or possibly after midnight in the early

morning hours of September 17) in a large corner conference room on the executive conference and dining floor at Lehman's headquarters at 745 Seventh Avenue.

Valuation Issues

9. I understand that one of the Movants' contentions in these proceedings is that Barclays sought out and bargained for a "secret discount" by marking down the financial assets that Lehman was going to transfer to Barclays. I believe this allegation is a distortion of the fact that there were discussions between Barclays representatives and Lehman representatives in which Barclays representatives expressed the view that Lehman's marks for some of its assets were outdated and higher than the Barclays' estimates for certain categories of trading assets. While I was not present for the actual discussions between Barclays and Lehman traders or other representatives as to the proper valuation of securities or categories of securities, I was present for discussions between representatives of Lehman and Barclays on Monday and Tuesday (September 16-17) at which Barclays representatives explained that, in the view of Barclays traders, Lehman's existing valuation of several categories of securities were outdated and did not accurately reflect the then current market value of those securities. This valuation concern was heightened by the unprecedented market volatility and the severe illiquidity in the markets as a result of which I understood that third-party price quotations for certain types of securities were largely unavailable. One particular example I recall being mentioned in the discussions involved a structured security. Lehman owned a junior tranche of the structured security, which it carried on its balance sheet at par or at a smaller discount to par than the discount to par at which Barclays carried a more senior tranche of the security, based on its traders' valuation of the more senior security, unrelated to any proposed acquisition transaction. Lehman was thus maintaining a higher mark on the *junior* tranche of the security (*i.e.*, either par or a smaller

discount to par) than Barclays' valuation of a senior security. I also was aware of media reports published prior to the events of the week of September 15 to the effect that the book value of certain securities held by Lehman had been overstated even prior to the market disruptions of the prior few days.

The Clarification Letter

10. I attended the Sale Hearing, which commenced on September 19, 2008. At the hearing, lawyers from Weil Gotshal explained to the Court that there were "major changes" to the transaction and "many moving parts," and explained that there was a letter agreement, which they referred to as a "clarification letter," still being prepared. The Sale Order therefore explicitly describes the Purchase Agreement it was approving to include the "clarification letter." The Clarification Letter was ultimately finalized and executed at the Closing on the morning of September 22, 2008.

11. The initial drafts of the Clarification Letter had been prepared prior to the Sale Hearing, and prior to the major changes that had been agreed to earlier on September 19, 2008. Weil had circulated a revised draft of the Clarification Letter by email during the Sale Hearing. Following the Sale Hearing, the parties turned to revising the existing draft to make the necessary clarifications as well as to make amendments to reflect the agreed-upon changes. To accomplish this and to continue other significant and critical discussions related to the transaction that needed to be concluded by the Closing (such as the discussions with the Depository Trust & Clearing Corporation ("DTCC"), the Options Clearing Corporation ("OCC"), and JP Morgan and discussions between Barclays and the Debtor concerning the Transition Services Agreement), the parties convened at Weil's offices starting early Saturday morning. These discussions continued until late Saturday night, resumed early Sunday morning

and did not conclude until the Closing at about 8 a.m. on Monday, September 22. The meetings occurred in various conference rooms on two floors of Weil's offices. The LBI Trustee's representatives were present at Weil, sat in the conference room where the Clarification Letter was being discussed and revised by the two sides, and had access to drafts of that document and to the closing room. Representatives of the Creditors' Committee were also present at Weil's offices and, I believe, had access to these drafts and the closing room. The Clarification Letter was finalized and executed at Weil's offices on the morning of Monday, September 22, 2008, immediately prior to the Closing. As the Clarification Letter both clarified and amended provisions of the original APA and made changes to the transaction, including revisions to the definition of Purchased Assets in view of Lehman's inability to perform material terms of the original APA, as the Bankruptcy Court had been advised in substance at the Sale Hearing, the Clarification Letter recites that it "clarifies the intention of the parties with respect to certain provisions of the [Asset Purchase] Agreement, supplements in certain respects the agreements of the parties stated therein and amends the Agreement in certain respects. . . ." Clarification Letter at 1.

12. Weil and Simpson represented the Debtor in these discussions. The Weil lawyers were intimately involved in the preparation of the various drafts of the Clarification Letter between September 19 and September 22, 2008, as they and Simpson, representing the Debtor, and Cleary Gottlieb and S&C, representing Barclays, worked in good faith to finalize the Clarification Letter in order to allow the Closing to take place before the opening of business on September 22, 2008, on a basis consistent with the Sale Order and what had been described to the Court.

13. One of the provisions in the Clarification Letter provides that the Purchased Assets being acquired by Barclays would include all of the assets in LBI's "clearance boxes" as of the Closing. This provision was set forth in various iterations of the drafts of the Clarification Letter as well as in the executed Clarification Letter. During this time, neither Weil nor any representative of the Trustee nor the Creditors' Committee communicated to me or my colleagues (or to my knowledge, any other representative of Barclays) any suggestion or view that Barclays would not acquire the assets in LBI's "clearance boxes."

14. I was also aware that there were concurrent discussions between Barclays and the DTCC regarding the issue of whether Barclays would guarantee all of LBI's settlement obligations at the DTCC (and its related family of clearing corporations) as requested by the DTCC. This issue was ultimately resolved through a letter agreement (the "DTCC Letter') in which Barclays agreed to deliver $250 million of the Cash Amount set forth in the APA to the DTCC, rather than Lehman, as security for Lehman's obligations to DTCC, with any unused portion to go to Lehman. In connection with this provision, Section 1(d) of the Clarification Letter was drafted to make clear that this $250 million of the Cash Amount was to be delivered to the DTCC for deposit as collateral rather than being delivered to the Debtor as originally provided in the APA. This was the only provision of the Clarification Letter that was necessary, as far as anyone on behalf of Lehman ever indicated, to implement the DTCC Letter.

15. The principal LBI "clearance boxes" were obviously those at the DTCC, and, at no time before the Closing or for several months after the Closing, did anyone on behalf of Lehman or the Trustee communicate to me or anyone else at Cleary (or, to my knowledge any other representative of Barclays) that they believed that the DTCC Letter was somehow amending the Clarification Letter being executed concurrently in order to remove the assets in

the DTCC clearance boxes from the Purchased Assets being acquired by Barclays in the transaction.

16. Even prior to the Clarification Letter, the APA provided that the assets being acquired included those assets associated with LBI's business as a futures commission merchant, and that the exchange-traded derivatives were being acquired as part of the overall financial inventory. APA § 1.1 (definitions of "Business" and "Purchased Assets"). One of the other provisions in the Clarification Letter confirmed that the Purchased Assets include the "exchange-traded derivatives (and any property that may be held to secure obligations under such derivatives)." Clarification Letter § 1(a)(ii)(C).

17. During the weekend in which the Clarification Letter was finalized, no one suggested, in my presence (or, based on my conversations with my partners, in their presence), that any portion of the property held to secure Lehman's exchange-traded derivatives was not to be transferred to Barclays as part of the transaction. To the contrary, the parties' communications (including emails to and from the OCC and its counsel) and the deal documents that were signed by the Trustee make clear that Barclays was to receive LBI's "exchange-traded derivatives" including "any property that may be held to secure obligations under such derivatives." Neither I nor any of my partners involved in this transaction recall ever hearing a contrary view being expressed by anyone from the Lehman side.

18. The Clarification Letter also contains a provision that Barclays would receive \$769 million in securities held in LBI's Rule 15c3-3 account, "or securities of substantially the same nature and value." I recall that we had been told prior to the hearing on Friday that there were assets in the 15c3-3 account that could be transferred by Lehman in connection with a sale, and that there was an email confirming that the SEC staff had agreed that this could be done.

Over the weekend while I was with a number of the Weil lawyers in the hallway, they showed me for the first time (and said that they had also seen it for the first time that day), an internal Lehman email which purported to show that the SEC staff had acquiesced to the transfer of $1 billion from the Rule 15c3-3 account.

19. Following our review of that email, I participated in a continuation of the hallway conversation with several Weil lawyers, including Harvey Miller, my partner Ed Rosen, Michael Klein, and several other people.

20. During that hallway conversation, Mr. Miller or one of his partners raised a concern about whether the transfer of the Rule 15c3-3 account assets might be subject to legal or regulatory constraints and that time would likely be necessary to resolve such concerns. To address that issue, I recall that my partner Ed Rosen suggested that the pertinent provision of the Clarification Letter include a phrase such as "to the extent permitted by applicable law." It is also my recollection that, as part of the same conversation, Mr. Klein said, in substance, that if the legal constraints prevented transfer of the Rule 15c3-3 account assets, Barclays should receive substitute assets. This was agreed to by representatives of Lehman as reflected in the final version of the Clarification Letter, as executed by all the parties thereto. In particular, the phrase "or securities of substantially the same nature and value" was added to the relevant paragraph of the Clarification Letter to make clear that to the extent the transfer of $769 million in securities from the 15c3-3 account was not possible due to any legal or regulatory constraint, Lehman would be obligated to deliver to Barclays securities of the same nature and value from some other source (outside of the 15c3-3 reserve account).

21. Prior to the execution of the Clarification Letter and for at least several months thereafter, no one on behalf of the Debtor or the Trustee or the Creditors' Committee ever communicated to me or my partners (or, to my knowledge, to any other representative of Barclays), any suggestion that they believed that the $769 million in securities promised in section 8 of the Clarification Letter would not be required to be transferred unless and until it was determined that there was enough estate property to satisfy the claims of all customers not transferred to Barclays.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in New York, New York on January 27, 2010.

Victor I. Lewkow

BCI EXHIBIT

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re LEHMAN BROTHERS HOLDINGS INC., *et al.*, Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)
In re LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (JMP)

DECLARATION OF IAN LOWITT

I, Ian Lowitt, declare as follows:

1. I make this declaration on my personal knowledge. If called to testify, I would testify competently as follows.

2. I make this declaration at the request of Barclays to address certain allegations that I understand have been made in this case. This declaration does not address all of the claims made by the Debtor regarding my role in the Sale Transaction (as defined below) and related events. By not commenting on all of LBHI's allegations, my declaration should not be understood to reflect agreement with LBHI's allegations, many of which I dispute.

3. I am currently a Managing Director of Barclays Capital, Inc. ("Barclays"), which has offices at 200 Park Avenue, New York, New York 10166, and the (1) Head of Global Business Assessment and Strategic Analytics in the Barclays Wealth Division, (2) Chief Operating Officer of Private Banking, and (3) Head of the Transition Services Agreement ("TSA") Organization. I joined Barclays in late September 2008 as a Managing Director in

Infrastructure Management and became Chief Operating Officer of Barclays Wealth, Americas in April 2009.

4. From June 12, 2008 until September 22, 2008, I served as the Chief Financial Officer ("CFO") of Lehman Brothers Holdings Inc. ("LBHI"). From October 23, 2006 until September 22, 2008, I served as the co-Chief Administrative Officer ("CAO") of LBHI. Prior to those roles, I was the CAO of Lehman Brothers International (Europe) from July 2005 to October 2006 and Treasurer of LBHI and Global Head of Tax from 2000 to 2005. I joined LBHI in 1994 as the head of corporate development.

5. On September 15, 2008, LBHI commenced a Chapter 11 bankruptcy filing. LBHI and Barclays engaged in negotiations regarding a transaction whereby LBHI would sell certain assets of LBHI, Lehman Brothers 745 LLC ("LB 745 LLC"), and Lehman Brothers Inc. ("LBI", and together with LB 745 LLC and LBHI, "Lehman") to Barclays (the "Sale Transaction").

6. I did not negotiate the terms of the Sale Transaction. I did not attend any of the negotiation sessions among the parties and their legal counsel, financial advisors, or consultants. I did not attend any presentations to the Bankruptcy Court about the Sale Transaction. I did not perform the valuations of the assets or liabilities to be transferred in the Sale Transaction. Any knowledge I have of the terms of the Sale Transaction or of the discussions with Barclays that resulted in the Sale Transaction I learned from others.

7. Following LBHI's filing for bankruptcy, I was involved with a number of different activities on behalf of LBHI, including helping to ensure that LBHI was able to continue to operate until the Sale Transaction was consummated. Thus, my job responsibilities included focusing on, among other things, Lehman's liquidity challenges, as well as the

operational and personnel issues created by Lehman's filing. The bankruptcy filing, and the ensuing uncertainty at LBI, created a chaotic situation in which employees were distraught about their futures and it was difficult to get employees to focus on the firm.

8. I understand that in its Rule 60(b) motion to modify the order approving the Sale Transaction, LBHI alleges that I acted with conflicted loyalties in performing my tasks related to the Sale Transaction. I believe such allegations to be simply untrue.

9. At all times, I believe that I acted in a fashion that comported with what I understood my fiduciary duties to Lehman to be, including my duties of loyalty and care. During my interactions with Barclays' personnel, I was never asked to act, nor did I act, in any manner that I believe would have compromised Lehman's interests or what I understood to be my duties to Lehman.

10. On or about September 15, 2008, I had a conversation with Bart McDade, Lehman's lead negotiator of the Sale Transaction and the President and Chief Operating Officer of Lehman. Mr. McDade informed me that Barclays intended to extend job offers to me and seven other Lehman employees that would commence after the close of the Sale Transaction. I was also informed that Barclays considered my services and those of the seven others critical to the integration of Lehman's and Barclays' businesses and thus to the transaction, and that one of the conditions of the Sale Transaction at that time was that these eight individuals, myself included, would enter into employment agreements with Barclays.

11. I signed an employment agreement with Barclays (the "Employment Agreement") dated September 18, 2008. None of the payments to which I am entitled under the Employment Agreement is conditional on Barclays' performance. Under the terms of the Employment Agreement, I received guaranteed compensation for 2008 equal to approximately 60 percent of

my 2007 compensation and an additional stock grant equal to almost 20 percent of my 2007 compensation to be awarded no later than March 15, 2009. The Employment Agreement also entitled me to two special award payments, to be paid respectively at the first and second-year anniversaries of my starting date, each equal to 25 percent of my total 2007 compensation. I believe that the compensation I have received, and will receive, pursuant to the Employment Agreement is commensurate with my prior compensation at Lehman, is consistent in structure with what I understand to be the employment packages offered by Barclays to other former Lehman employees, and is being received for ongoing and valuable services to Barclays.

12. From September 2008 until January 2009, when the integration of the legacy Lehman businesses into the Barclays' infrastructure was successfully completed, I was the Director of Integration for the legacy Lehman businesses within Infrastructure Management. In this position, I brought to bear the valuable experience I had with Lehman's infrastructure and control environment, as well as my working relationships with key infrastructure personnel in systems, operations, finance and other corporate areas, to assist Barclays in integrating Lehman's former businesses. I also worked with senior Barclays managers in systems, operations, finance, risk, and other corporate functions to create new leadership structures, decide who was best placed to fill those positions, and create a fair process to identify individuals within the newly combined organization to fill the remaining positions. As a result of the integration, almost all of the Lehman businesses were successfully integrated into the Barclays control environment before the close of 2009 and the legacy Lehman infrastructure groups were combined with their Barclays counterparts to create single organizations.

13. In November 2008, I was appointed the Head of the TSA Organization. In that position, I was also able to use my knowledge of Lehman's control and operational environment

to assist Barclays in providing transitional services to the legacy Lehman estate (the "Estate"). The Estate has benefited from the quality of service provided by the TSA organization as this has enabled it to realize value for its creditors. I attach as Exhibit A an email sent to me by Bill Gordon at Alvarez and Marsal thanking me and my team for what he described as a "great job" on transitional services.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed this 27th day of January, 2010, at New York, New York.

Ian Lowitt

EXHIBIT A

From: Gordon, Bill [mailto:WGordon@alvarezandmarsal.com]
Sent: Thursday, December 24, 2009 6:39 AM
To: Lowitt, Ian T
Subject: 12 months

Ian,
I was just thinking how far we have come over the past twelve months. At this time last year I was putting the finishing touches in the infamous Christmas Eve letter to Jonathan Hughes. Since then, we seem to have put everything on the right track and look to have achieved 95% separation within eighteen months of the acquisition. Your team did a great job and, despite a few bumps in the road, it has been a pleasure working with you.

Have a wonderful holiday.
Bill

William B. Gordon
Managing Director
Alvarez & Marsal North America, LLC
600 Lexington Ave.
New York, NY 10022
Lehman Office (646) 285-9171
Cell: (914) 646-0422
Office: (212) 759-4433

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al.,	:	08-13555 (JMP)
Debtors.	:	(Jointly Administered)

DECLARATION OF HUGH (SKIP) MCGEE, III

I, Hugh McGee, III, declare as follows:

1. I make this declaration on my personal knowledge. If called to testify, I would testify competently as follows.

2. I am currently employed by Barclays Capital, a division of Barclays Bank PLC (together with Barclays's Capital, "Barclays") as a managing director and Head of Investment Banking. I have been in my current position since September 22, 2008.

3. Before joining Barclays, I was employed by Lehman Brothers ("Lehman"). I first began working for Lehman in 1993 as a senior vice president in its Houston office. Over time, I became a managing director and ran Lehman's natural resources and power groups globally. I became global head of Investment Banking in December 2002 and remained in that position until I began to work for Barclays in late September 2008.

4. I was involved in the negotiations between Lehman and Barclays regarding the Lehman Brothers North American broker-dealer business (the "Sales Transaction") that took place on September 15 and 16, 2008. I was not a primary negotiator for the Sales Transaction. Rather, my focus was on trying to preserve the human capital so there would be a business for Barclays to acquire when the transaction was finished. My work was focused on the provisions of the Asset Purchase Agreement (the "APA") that dealt with compensation issues, including

bonus and severance. This meant that I was involved in the discussions of the provisions of Section 9.1 of the APA, titled Employees and Employee Benefits, with those who were drafting that section. I was in and out of the room where other provisions of the APA were being discussed but was not directly involved in negotiating any of the other terms of the APA and played no role in assessing the value of the assets transferred to Barclays under the APA. I was not involved in any key parts of the Sales Transaction after September 16.

5. As I testified at my August 10, 2009 deposition, at some point during the evening of September 15, 2008, I received a verbal offer of employment by Barclays. I was told by Barclays that my agreement to work for them was a condition for Barclays to close the Sales Transaction. On that same night I verbally agreed to work for Barclays after the Sales Transaction closed.

6. I attended part of the meeting of the Lehman Boards of Directors that took place on the morning of September 16, 2008, along with several of my Lehman colleagues. During that meeting, the Boards were informed of the details of the Sales Transaction, including that one of the conditions of the Sales Transaction was that eight specific Lehman employees enter into employment contracts with Barclays, that I was one of those eight employees and that, therefore, interested employees were involved in negotiating the Sales Transaction. The Boards were also informed that a high percentage of the firm's top 200 employees must agree to transfer to Barclays as a condition to the Sales Transaction.

7. From Wednesday, September 17, 2008 through Sunday, September 21, 2008, I was traveling outside of New York to meet with various Lehman employees about the Sales Transaction. I did not attend the bankruptcy court hearing to approve the Sales Transaction that

took place on Friday, September 19, 2008, but understand that the court approved the Sales Transaction later that night or early the next morning.

8. On or about September 22, 2008, I received a generic, group email notice from Barclays (the "Email Offer") that stated that I was being offered employment at Barclays. This email provided only minimal details regarding the terms of the offered employment but asked that I promptly advise Barclays whether I intended to accept the offer.

9. I understand that the Sales Transaction closed on Monday, September 22, 2008. On that same day I sent a short email in reply to the Email Offer stating that I planned to accept the offer. I did not receive a detailed offer prior to the Sales Transaction closing.

10. On or about October 6, I received an official letter from Barclays that set forth in detail the terms and conditions of the offer of employment (the "Employment Letter"). I signed the Employment letter on October 7, 2008.

11. Prior to the closing of the Sales Transaction on September 22, 2008, I considered myself to be a Lehman employee and acted at all times in its best interest and did not seek to advance the interests of any other party, including the interest of Barclays, over the interests of Lehman. I consider any allegation that I breached my fiduciary duty to Lehman to be completely unfounded and without merit.

I declare that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: January 27, 2010

Hugh (Skip) McGee, III

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re LEHMAN BROTHERS HOLDINGS INC., *et al.*, Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)
In re LEHMAN BROTHERS INC., Debtor.	Case No. 08-01420 (JMP)

DECLARATION OF KENNETH RAISLER

I, Kenneth Raisler, declare as follows:

1. I am a partner with the law firm of Sullivan & Cromwell LLP ("S&C"). Following the commencement of the Chapter 11 case of Lehman Brothers Holdings Inc. on September 15, 2008, we were engaged to start work on the potential acquisition by Barclays of most of the assets of Lehman Brothers Inc. ("LBI").

2. I base this Declaration on my personal knowledge and my review of transaction documents. In preparing this Declaration, I have neither relied on nor disclosed privileged communications. Rather, I have relied on my recollection of non-privileged communications between the parties to the transaction (and their advisors and counsel).

3. Beginning on Monday, September 15, 2008, I was involved in meetings and discussions between LBI and Barclays personnel concerning a potential acquisition by Barclays of LBI's proprietary futures business as well as its business as a futures commission merchant,

i.e., its business handling futures transactions for customers (the "Futures Business"). I recall that, during those meetings and telephone conferences, Barclays was unable to get detailed information concerning LBI's Futures Business for a number of reasons, both technical and practical. The obstacle to information-sharing that stands out most in my mind was that there were problems with LBI's books and records that rendered it difficult for LBI to provide specific details about the existence and nature of the positions and collateral held in connection with LBI's Futures Business. My recollection is that, due to these and other issues, the discussions during these meetings and calls were had at a very high level, all relating generally to LBI's Futures Business, its proprietary positions and collateral, the customer segregated and secured accounts through which LBI conducted that business, and the customer accounts that related to that business. Although very little detailed information was provided during these meetings, it is my recollection of these communications with LBI that the general understanding of all participants seemed to be that the transfer of this business would be implemented on a date to be determined by a direct transfer to Barclays of all of LBI's Futures Business including but not limited to all LBI proprietary and customer futures accounts, and, to go with the accounts, all of (1) LBI's settlement obligations to clearing corporations and brokers through whom LBI conducted its Futures Business, (2) LBI's futures-related rights and obligations vis-à-vis its futures proprietary and customer positions and (3) LBI's rights to the collateral contained in any proprietary account or any customer segregated or secured account relating to LBI's Futures Business.

4. Also during the week of September 15, 2008, certain of the clearing corporations and exchanges holding LBI's exchange-traded derivative accounts began exercising their self-protection powers. For example, late on September 17, representatives of the Chicago

Mercantile Exchange ("CME") contacted me, as counsel to Barclays, the putative acquirer of the LBI Futures Business, and requested that Barclays guarantee LBI's settlement obligations for all proprietary futures positions that cleared through the CME. I reported back in the early hours of September 18th that Barclays could not agree to this request at that time because the anticipated sale transaction with LBI had yet to receive Court approval. I was told that without a guaranty from Barclays, the CME would exercise its rights to take over the proprietary accounts. Beginning on September 18th, the CME conducted auctions to sell LBI's proprietary futures positions. I understand that all or almost all of the collateral held in LBI's proprietary CME account was transferred to the successful bidders in consideration for their taking over the positions. It is my understanding that this auctioning off of LBI's proprietary futures positions at the CME led to a loss of approximately $1.6 billion in collateral that LBI had posted at the CME.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in New York, New York on January 27, 2010.

Kenneth Raisler

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-- X

In re: LEHMAN BROTHERS HOLDINGS INC, et al., Debtor.	:	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)

-- X

In re: LEHMAN BROTHERS INC., Debtor.	:	Case No. 08-01420 (JMP)

-- X

DECLARATION OF EDWARD J. ROSEN

Pursuant to 28 U.S.C. § 1746, EDWARD J. ROSEN hereby declares:

1. I am a partner with the law firm of Cleary Gottlieb Steen & Hamilton LLP ("Cleary Gottlieb"). I was a member of the Cleary Gottlieb team representing Barclays Capital Inc. ("Barclays") in connection with the potential acquisition by Barclays of the North American brokerage and investment banking business of Lehman Brothers Inc. ("LBI").

2. I began working at Cleary Gottlieb as an associate in 1982 and have been a partner since 1991. I specialize in derivatives and securities regulation and am co-coordinator of the Firm's financial products and markets practice group. I have served as counsel to the Securities Industry and Financial Markets Association, the Securities Industry Association, the Futures Industry Association, the International Swaps and Derivatives Association, and The

Bond Market Association. I also currently serve on the Board of Directors of the Futures Industry Association and the International Swaps and Derivatives Association Regulatory Advisory Committee. I am a co-author of the two-volume treatise, U.S. Regulation of the International Securities and Derivatives Markets.

3. I base this Declaration on my personal knowledge, review of transaction documents and, where indicated, the recollection of my partners who worked with me on this engagement and with whom I have consulted in the preparation of this Declaration. In preparing this Declaration, I have neither relied on nor disclosed privileged communications. Rather, I have relied on my recollection and such consultations concerning non-privileged communications between the parties to the transaction (and their advisors and counsel).

4. I understand from the Trustee's Rule 60 motion that the Trustee has taken the position that the removal of certain language contained within section 1(d) of a draft of the Clarification Letter circulated at 11:13 p.m. on September 20, 2008 reflects an agreement that Barclays was not acquiring cash margin associated with LBI's exchange-traded derivatives business. That position is incorrect – there was, to my (or my partners') knowledge, never any such agreement or discussion.

5. The draft language at issue was an attempt to accurately document the business deal that had already been negotiated and agreed by clarifying, *inter alia*, that Barclays would acquire the margin (including cash) associated with the exchange-traded derivatives positions carried by LBI. The draft language accomplished this by making clear that the definition of Excluded Assets did not include "any and all property [including cash] . . . maintained . . . by or on behalf of any clearing agency or clearing organization to collateralize, guaranty, secure (whether as margin, guaranty fund deposit or in any other form) the obligations of LBI or any

other person in an account maintained by or on behalf of LBI for which [Barclays] shall become responsible as of the Closing." Contrary to the Trustee's assertion, this carve-out for margin in the form of cash was not removed. The carve-out was retained in section 1(a)(ii)(C) of the execution version of the Clarification Letter, which clarifies that the definition of Purchased Assets encompasses margin (in whatever form, including cash) for exchange-traded derivatives. Clarification Letter § 1(a)(ii)(C) ("Purchased Assets shall include . . . exchange-traded derivatives (and *any property* that may be held to secure obligations under such derivatives)") (emphasis added). Because Excluded Assets is defined as assets "[e]xcept as otherwise specified in the definition of 'Purchased Assets,'" Clarification Letter § 1(c), the inclusion of margin (in whatever form) for exchange-traded derivatives in the definition of "Purchased Assets" necessarily means that such margin is not encompassed within the definition of Excluded Assets in section 1(c) of the Clarification Letter, which is consistent with the discussions of the lawyers from both sides.

6. At no time between 11:13 pm on September 20, 2008 and the Closing, or for many months after the Closing, did anyone acting for the Trustee or the Debtor discuss with me or anyone else at Cleary that the draft language in question should be removed because Barclays was not supposed to acquire cash collateral pledged to secure obligations for the exchange-traded derivatives that were part of the business Barclays was acquiring.

7. As noted in the Declaration of Victor I. Lewkow, I participated in a hallway conversation at Weil's offices in which Harvey Miller raised a concern about whether the transfer of the Rule 15c3-3 account assets might be subject to legal or regulatory constraints. To address that issue, I suggested that the pertinent provision of the Clarification Letter include a phrase such as "to the extent permitted by applicable law." This was agreed to by

representatives of Lehman as reflected in the final version of the Clarification Letter, as executed by all the parties thereto.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in New York, New York on January 27, 2010.

Edward J. Rosen

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al.,	08-13555 (JMP)
Debtors.	(Jointly Administered)

DECLARATION OF PAOLO TONUCCI

I, Paolo Tonucci, declare as follows:

1. I make this declaration on my personal knowledge. If called to testify, I would testify competently as follows:

2. I am currently employed by Barclays Bank PLC ("Barclays Bank") as Head of Group Balance Sheet within Group Treasury. I have been in my current position since on or about February 2009. From September 22, 2008 until on or about February 2009, I was employed by Barclays Capital (together with Barclays Bank, "Barclays") and my starting title with Barclays was U.S. Treasurer.

3. From December 1996 through September 21, 2008, I was employed by Lehman Brothers ("Lehman"). I began working at Lehman as head of the fixed income derivatives product control team and my last job at Lehman was as Global Treasurer.

4. I was aware that Lehman and Barclays were negotiating a sales transaction (the "Sales Transaction") on September 15 and 16, 2008. I did not take part in these negotiations, but did have discussions with Lehman employees who themselves were providing information in connection with the negotiations.

5. I did not attend the bankruptcy court hearing to approve the Sale Transaction, but understand that it commenced at approximately 4:30 p.m. on Friday, September 19, 2008 and that the Sales Transaction was approved later that night or early the next morning. At some point during the evening of September 19, 2008, after the Lehman and Barclays teams had gone to the bankruptcy court, I was told informally by my Lehman colleague Ian Lowitt that I would be receiving an offer of employment from Barclays and the general economic terms. Prior to that time, I had not discussed the possibility of working for Barclays with anyone. I did not receive any written notice of the offer Mr. Lowitt referenced at that time and was not aware of what the specific terms of any such employment would be.

6. On the morning of September 22, 2008, I received a notice from Barclays by email (the "Email Offer") that stated I was being offered employment at Barclays. It was clearly a *pro forma*, group email and provided only minimal, general information regarding the terms of the offered employment.

7. I understand that the Sales Transaction closed on Monday, September 22, 2008. On that same day, in order to comply with the Email Offer's directions, I responded to the acceptbarclaysoffer@lehman.com address with "I accept."

8. On or about September 22, 2008, I also received a letter from Barclays that set forth in detail the terms and conditions of their offer of employment to me (the "Employment Letter"). I signed the Employment letter on September 26, 2008.

9. Prior to the closing of the Sales Transaction on September 22, 2008, I considered myself to be a Lehman employee and acted at all times in its best interest and did not seek to advance the interests of any other party, including the interest of Barclays, over the interests of

Lehman. I consider any allegation that I breached my fiduciary duty to Lehman to be completely unfounded and without merit.

I declare that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: January 27, 2010

Paolo Tonucci

BCI EXHIBIT

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., *et al.*,	08-13555 (JMP)
Debtors.	(Jointly Administered)

DECLARATION OF JAMES SEERY

I, James Seery, declare as follows:

1. I make this declaration on my personal knowledge and to supplement my September 3, 2009 deposition testimony. If called to testify, I would testify competently as follows.

2. At the time of the September 22, 2008 Lehman acquisition by Barclays Capital Inc. ("Barclays") (the "Sale Transaction"), I was Lehman's Global Head of Loans, Fixed Income.

3. I am also an experienced bankruptcy lawyer, having practiced bankruptcy law for roughly 10 years prior to joining Lehman in 1999. As a result, I had an active role in the events and negotiations relating to the Sale Transaction. I was familiar with changes in the transaction from September 16 through the September 19 approval hearing, which I attended. I also participated in the discussions at Weil Gotshal over the weekend between the approval hearing and the September 22 closing.

4. One of my roles was to brief representatives of the Creditors' Committee concerning the elements of the Sale Transaction. I knew those advisors professionally and

personally as a result of many years of experience in bankruptcy matters. I felt that I was in a good position to communicate with them and to be direct about the terms of the transaction.

5. I understand that one of the Committee representatives took notes of conversations that we had on the morning of Friday, September 19, 2008, the day of the approval hearing. I have reviewed those notes, which are attached as Exhibit 1. The notes refresh my recollection that I was very clear in explaining that there was a $5 billion difference between the marked value of the assets in the Fed repo (which I believed was $50.6 billion) and the amount advanced in the Fed repo to purchase those assets (which I believed was $45.5 billion).

6. I understand that a Committee representative testified that he crossed out the notes reflecting the original information describing the repo because I told him the information and structure of the repo portion of the sale transaction had changed. My recollection is that the primary information that had changed was that Lehman's short positions had been closed out and that the estimated actual value of the Fed repo securities (as opposed to their marked value) had shrunk to approximately $45.5 billion. However, I consistently stressed to Committee representatives that the $5 billion difference between the advanced amount and the marked amount of the securities remained. That was the primary reason for my conversations with them at the time. I felt I needed to explain to them that this was a deal Lehman had to do, because it was the only available deal and the consequences of not selling the broker-deal would be disastrous for Lehman, its employees, customers, and the markets. Committee representatives indicated to me that they understood the sale might be a good deal for Barclays and, in fact, repeatedly discussed that point. They ultimately agreed that it was also the best alternative for Lehman.

7. The notes also refreshed my recollection that Lehman traders independently assessed the value of the Fed Repo collateral under the stressed market circumstances at the time and the assets that went to Barclays when Barclays replaced the Fed repo. We completed that exercise in connection with Barry Ridings' testimony and Barclays' challenge of the marked value of the assets. The Lehman traders indicated that the market value of the Fed Repo collateral was closer to $45.5 billion than the marked value of $50.6 billion. They also confirmed that Barclays had legitimate concerns, as Barclays expressed on September 18-19, that the value of the securities Barclays received and expected to receive in replacing the Fed repo might not provide excess value above the Barclays loan amount, as is customary in repo funding arrangements.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 28 day of January, 2010, at Alta, UTAH.

James P. Seery, Jr.

James P. Seery, Jr.

Exhibit 1

10,000 employees -- 90,000 -- 900 mm
Barclays will pay severance
Picking up comp accrual.

Pension + 401k } staying behind.
↳ Fully Funded
Executive & Select Employee Plan --

8/30 - 9/15 14B

IMD Discussion

End of July started selling majority stake -- 55%
16 - 17 players
15 NDAs
11 1st Round; Bids from 10; Selected 5
5-6 strategic; 3 NDAs - 1 recapitalization that
Changed to 50/50 split -- then focused on Round buyers.
Last Friday -- Bids from 4 (only calls from 3)
Bain, H&F, Schwab, CD&R
280B AUM
High Net Worth Business --> huge attrition PIM
Liquidity Business -- probably shut down.
~~Private Equity~~
Neuberger Berman -- equities
~~[illegible]~~ LBAIM -- ~~[illegible]~~ hedge funds & commodity
FCG
LBAM - Fixed assets

JB
Capital Contracts

Not included:
Independent sales & trading => Going to Barc s.
* Minority investments in hedge funds -- D.E. Shaw, Spinnaker

1.5 B of unfunded Lehman commitments

NAV --
LP - 2.3B invested by Lehman (embedded Value 2+ ?)
24B of assets under mgt.
Crossroads -- fund of funds in PE
400 professionals - silo w/i each fund.

New initiatives - Europe, Asia, Corp.

PIM
Asset Mgt - sought indications
PE

Post-signing litigation
Consent process
Timeline charts

Comml RE
Principal Investments
Foreign Subs
Banks
Law Suits - Koreans (Sound corp.)
- Stated district
- JP Morgan (11B of excess collateral)

Unwind of retained book - derivatives

Eagle Energy / Loan book
Imperial Sugar

LCDI - Loan Book -- 8-10 B
Mortgage

→ First Data, Chrimm, Freescale, Equity notes in CDOs, TXU

A/R

- Update ras defining effects
- Run the Chart
- Neutra Bm
-

4.6
[illegible] 9
3-6
1.5 - 20
2

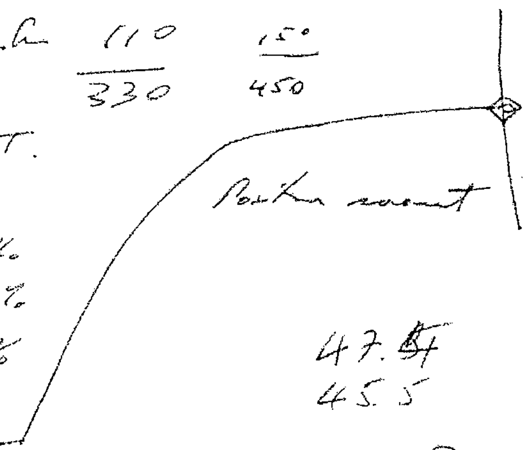
LB/LCBI → $50 B .64 Assets 27.4 B Assets Exceptions Corporate
~~Collateralizes Repo of Barclays Fed Loan~~
~~They took all the Fed securities - corp. loans CDO Bonds & corp. loan sales~~
~~5 B~~
~~Total estimate $45.5 B~~
~~→ Cure Payments~~
~~→ 250 Goodwill payment~~
~~→ Comp + Severance~~
~~→ 1.02, NS appraisal 110 m shy~~
~~Repo 52.6 mm~~
~~→ No profit in the portfolio~~

5 /m

45.5 Log
All shorts closed out (~~[illegible]~~)
Loan is @ 45.5
RE --- losing 100mm
Comp & Screens
Losing the upside in the portfolio
No Cash
350 PIM Broker

Paid	220	300
Grantham	110	150
	330	450

20-30x closed out.
Repo -
Agen - 1 to 2%
Portfolio 3-5%
Corp. 5-10%
Illiquid



47.~~54~~
45.5

2 cut
2 Employees

DTC -- Trade closings soon
FX & currency

* 250mm -- BD
* Lehman Name
* Contracts

No Residential Mortgages
59,000

72b A		47.4 B A
68b L		45.5 B L
2.25 B	Core	2.25
2	Employee Comp Save	2
250	Goodwill	250
950-1B	745 7th Ave	950 - 1B
450	NJ Data	
Yes	Profit Sharing	No
No	DTC Settlements	Yes

Purchased Assets
LB Canada Inc.
LB Structured Finance } PIM Business
LB Uruguay
2 year license for Lehman
IBD perpetual license
No sharing of Residential Mortg.
No purchase of Eagle Energy

Over the counter derivatives are not being taken